



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**



**CITY OF STOCKTON, CALIFORNIA**

**Prepared and Issued by  
The Administrative Services Department**

**JOHN HINSON  
Administrative Services Officer**

# CITY OF STOCKTON

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# CITY OF STOCKTON

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## OFFICE OF THE CITY MANAGER

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December 18, 2002

Honorable Mayor, City Council  
and Citizens of the  
City of Stockton, California

In accordance with the provisions of Section 1910, Article XIX of the City Charter, we hereby submit the Comprehensive Annual Financial Report (CAFR) of the City of Stockton (City), California for the fiscal year ended June 30, 2002 with the Independent Auditors' Report.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the City of Stockton. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Stockton's financial statements in conformity with generally accepted accounting principles (GAAP).

The City Charter requires an annual audit of all accounts of the City by a firm of certified public accountants selected by the City Council. Macias, Gini, & Company LLP is in the second year of a five year contract with the City and performed the audit in accordance with generally accepted auditing standards. Based on the results of the audit, the City of Stockton's financial statements for the fiscal year ended June 30, 2002 received an unqualified opinion in the independent auditor's report, which is presented as the first component of the financial section of this report.

In conformity with provisions of U.S. Office of Management and Budget Circular A-133, the City is required to prepare an annual Single Audit Report. Information relating to this Single Audit (including a Schedule of Expenditures of Federal Awards, the independent auditors' report on internal controls, report on compliance with applicable laws and regulations, and a schedule of findings and recommendations) are included in a separately prepared and printed Single Audit Report.

This is the first year that Statement No. 34 of the Governmental Accounting Standards Board “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments” (GASB 34) applies to the City’s CAFR. GASB 34 requires management to provide a narrative introduction, overview, and analysis, called Management’s Discussion & Analysis (MD&A), to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor’s report. As with the financial section of this report, all dollar amounts represented in this letter are expressed in thousands.

## **GOVERNMENTAL STRUCTURE AND THE REPORTING ENTITY**

The City provides the full range of municipal services contemplated by statute or charter, including those functions delegated to cities under state law. These include public safety (police, fire, paramedics and building), public works, sanitation (solid waste disposal, sanitary wastewater and stormwater utility), water utility, community development, cultural and recreational activities, library services, parks, and general administrative services.

The financial reporting entity, the City of Stockton, includes all funds of the primary government as well as all of its component units. The funds and component units included in the CAFR are those for which the primary government is financially accountable. The City’s component units are legally separate entities that, in substance, are part of the primary government’s operations. Therefore, they are reported as blended component units and are included as part of the primary government for financial reporting purposes. Accordingly, the Redevelopment Agency is reported as part of the special revenue funds and capital projects funds. Stockton Public Financing Authority is reported as part of the capital projects funds and debt service funds.

The annual budget serves as the foundation for financial planning and control for the City of Stockton. The Charter requires the City to prepare and adopt a budget through passage of a resolution by the City Council on or before June 30 of each fiscal year. The General Fund, certain special revenue funds, and certain capital projects funds have legally adopted annual budgets. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annually appropriated budget has been adopted. For the General Fund, this comparison is presented on page 78 as part of the required supplementary information. For other governmental funds, this comparison is presented in the governmental fund subsection of this report beginning on page 98.

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **Economic Trends**

The real estate market continues to be affected by the migration of Bay Area citizens seeking affordable housing to outlying valley towns. Property values continued to rise. Lower interest rates and relatively low real estate costs in comparison to the Bay Area have continued to boost the housing market. As a result the area has been able to maintain a small level of economic growth.

### **Jobs/Labor Market**

The City of Stockton makes up 44% of the population of San Joaquin County and 41.2 % of the available work force. The unemployment rate in fiscal year 2002 averaged 11.0%, fluctuating between 8.5% and 13.5%. Stockton is a developing center for manufacturing, warehousing, and distribution. By location, Stockton is attracting the call centers and administrative center operations for major Bay Area financial and development operations. This growth will continue to be fueled by young, first time and middle income homebuyers, by corporate relocations, and an influx of new business.

## **MAJOR INITIATIVES**

During fiscal year 2002, the City continued to focus on its most important goals and objectives of crime prevention and reduction, developing social, economic, and cultural opportunities for all, including youth, revitalizing the downtown and waterfront, continuing opportunities for economic growth, and exercising fiscal responsibility, while providing needed services.

### **Action Teams**

Since becoming City Manager I have implemented several action teams, including Community Health Action Team (CHAT), Neighborhood Action Team (NAT), Downtown Action Team (DAT), Budget Efficiency Action Team (BEAT), and the Youth & Education Action Team (YEAT).

During fiscal year 2002, CHAT began addressing downtown blight issues in relation to hotels, motels, and apartments. With the help of San Joaquin County (County), CHAT enforced the regulations adopted in a new ordinance. The team trained and certified 100 hotel/motel managers, closed 10 facilities, improved 11 facilities, demolished 3 unsafe facilities, and relocated over 400 tenants. NAT's projects targeted a clean-up of Carrington Circle and development of an after school program in Weston Ranch. DAT continued to work on downtown projects, including the renovation of Hotel Stockton and the development of the Cineplex. BEAT balanced the annual budget, identified several ways to maximize cost recovery, and increased productivity. They are working on ways to diversify revenue sources. YEAT continues to encourage youth to become more active in the community.



## **Parks and Recreation**

The City's Parks and Recreation Department contributes greatly to Stockton's quality of life. Over 60 parks and a dozen landscape districts provide a variety of open spaces and urban greenbelts. Stockton's mild climate and location in the midst of the Central Valley farmlands, Delta wetlands, and Sierra skyline make it a delightful locale for many recreational opportunities.

The Stockton Parks and Recreation Department supports City Council initiatives for youth by providing award-winning day camps for children on school breaks and 48 after school recreation and enrichment programs that provide a safe, stimulating environment for students who might otherwise be home alone. Six community centers offer a variety of programming for everyone from youth to seniors. With Parks and Recreation support, the Youth Advisory Commission and community center teen clubs have initiated an interactive relationship with the City Council and host an annual Mayor's Youth Conference.

Stockton's multitude of recreational activities is not limited to the Delta waterways, parks, and sports complexes. The City's youth and adult intramural sports leagues play throughout the entire year with hundreds of teams. The department also facilitates a variety of special events. Multicultural festivals, teen concerts and family fun augment traditional holiday events and an annual Concert in the Park series.

## **Library and Literacy**

The Library implemented a new service plan that was based on priorities identified by a Community Planning Committee. The Committee recommended the Library focus on meeting residents' needs in four areas: Basic Literacy; Cultural Awareness; Information Literacy; and Lifelong Learning. Library staff wrote goals and objectives in each of the four service areas and developed collections, programs, activities, and resources to meet the goals.

As a result, the Library planned and presented more programs for adults; expanded the Family Literacy Program into more parts of the County; emphasized internet and electronic resources training for staff and the public; and purchased more books and materials in non-English languages and for young children. For the first time, the Library offered a Summer Reading Club aimed at teens, with great success. The Library also involved the Stockton community in a city-wide reading and discussion program, encouraging all residents to read and discuss "To Kill a Mockingbird" to share the joy of reading and explore the need to understand and overcome racial prejudice.

## **City Events**

The population of Stockton reflects the influence of many cultures; waves of immigrants continue to redefine the diverse opportunities with dozens of events taking place each week. From Summer Concert Series to Farmers Markets, annual festivals, concerts and events, film festivals, celebrations and shows, the City provides a range of activities for every lifestyle. Fine arts are supported through a civic center, concert hall, as well as symphony, ballet, and chorale groups. Other major events include: girl's fast pitch tournament, karate championship, golf tournaments, a national wakeboard competition, The Asparagus Festival, Harvest Festival, bass tournaments, Special Olympics and Stockton Ports (a professional baseball club), as well as the Summer Training Camp for the San Francisco 49er's Football Team.

### **All-America City**

Stockton was designated an All American City by the National Civic League in 1999. Stockton received this award for collaborative accomplishments in the community: creating new jobs, reducing crime, positively impacting the physical environment, and revitalizing the Downtown area. The City of Stockton continues to be recognized for its ability to use the diverse talents and skills of its citizens to identify, confront, and creatively solve current urban issues.

### **Redevelopment in Downtown**

Downtown Stockton is the heart of City and County activities, the financial district and exists as the main cultural center. On July 10, 2001, the Stockton City Council adopted the official Port Industrial Redevelopment Project Area. This area encompasses approximately 1,185 acres of primarily industrial and commercial use, including the Port of Stockton.

Numerous Project Area Committee (PAC) meetings were held during fiscal year 2002 for the proposed Midtown and South Stockton Redevelopment Project Areas which total approximately 7,000 acres. Redevelopment projects in 2002 included the Downtown Cineplex, Hotel Stockton, Fox Theatre, Weber Point Grill Restaurant, Weber Avenue Streetscape Improvement Project, Downtown Marina, Gleason Park, Block 13 Master Development Area, and the Manhattan Plaza Affordable Housing Project.

### **Neighborhood Services**

During fiscal year 2002, Neighborhood Services was instrumental in revising the sections of the Stockton Municipal Code which pertain to the operation and management of hotels, motels, and residential hotels/motels, as mentioned previously in the Action Teams section. The ordinance was passed in November 2001, and the first six months of 2002 were spent implementing the new requirements. Neighborhood Services, along with Fire, Police, San Joaquin County Environmental Health and a hotel/motel representative provided mandatory health and safety training to hotel/motel managers.

The City also became a member of the San Joaquin County Abandoned Vehicle Abatement Service Authority. The program allows direct cost reimbursement for staff time and materials associated with the abatement of abandoned vehicles based proportionately on the population and productivity of each member. Membership has led to the assignment of two full-time code enforcement officers to conduct proactive case processing for abandoned vehicles. During the first six months of 2002, approximately 1,634 abandoned vehicles were abated.

### **Weber Point Events Center**

The year 2002 brought many diverse and popular events to the Weber Point Events Center. Events, free to the public, included: an extensive Earth Day celebration that featured live entertainment, recycling information and environmental product give-a-ways; a Cinco de Mayo Celebration with live entertainment and cultural awareness; the City's 4<sup>th</sup> of July celebration with all day live entertainment, food vendors, Stockton Symphony performance and fireworks spectacular; several evening outdoor live concerts; and our Festival of Lights tree lighting celebration and boat parade. Weber Point offered many large-scale concert events, such as The Stockton Blues Festival, Jazz on the Waterfront in July, and Mega Jam featuring Teena Marie and the Gap Band. Weber Point is open year round and offers many residents of San Joaquin County the opportunity to enjoy special events, our free inter-active water features for kids, or just the chance to relax and take in the cool Delta breeze under one of its many shade trees.

### **Municipal Utilities Department**

In the Water Utility, two new water wells went into production during fiscal year 2002. Well 29, located in North Stockton, has the capacity to serve 1,400 homes per year. Well SSS 8 has the capacity to serve about 1,200 homes in the south area of Stockton. The number of service connection increased by 1,648. These additions were accomplished with the same staffing levels as in previous years, which ultimately benefits the ratepayers.

The Wastewater Utility completed replacement of four pumps, which allows the Regional Wastewater Control Facility to handle larger flows more efficiently. By the end of October, we will have completed our bio-tower piping project, which will increase the efficiency of processing treated water. Plans are underway to replace an old and overtaxed transporting line running along Country Club Boulevard with a new and bigger line running just about parallel to the old line.

The Stormwater Utility cleaned 245,000 linear feet of storm lines during the fiscal year in an effort to prevent flooding and prevent contaminants from entering the waterways.

### **Quality of Life**

With a unique blend of neighborhoods, affordable housing, diverse recreational activities, strong educational opportunities, and diverse cultural energy, Stockton combines metropolitan and urban lifestyles without congestion, overcrowding, and the corresponding high cost of living.

### **CASH MANAGEMENT**

Cash temporarily idle during the year is pooled and invested in certificates of deposit, obligations of the U.S. Treasury, the State Treasurer's Local Agency Investment Fund, money market funds, guaranteed investment contracts, and commercial paper. The average effective rate of return on investments was 4.77 percent. Interest earned from investments of pooled cash was \$15,222. \$1,295 was credited to the General Fund, and the balance was distributed monthly to other funds based on average daily cash balances.

## **RISK MANAGEMENT**

The City is self-insured for general liability, workers' compensation, health insurance, and unemployment insurance. The City established internal service funds to accumulate resources to meet potential losses. The internal service funds charge each user department a rate equivalent to an insurance premium. Rates and fund balances are actuarially verified each year. The City is self-insured up to a maximum of \$1,000 for each general liability claim, \$250 for each worker's compensation claim and \$190 for each medical plan member. Third-party coverage is maintained for claims in excess of the coverage provided by the funds. Various risk control techniques, including employee accident prevention training, have also been implemented. Additional information on the City's risk management activities can be found in Note 11 of the notes to the financial statements and in the internal service fund financial statements of this report.

## **PENSION AND OTHER POSTEMPLOYMENT BENEFITS**

The City of Stockton provides pension benefits for its employees through the California Public Employees' Retirement System (CalPERS). CalPERS is an agent multiple-employer public employee retirement system. The City has no obligation in connection with employee benefits offered through this plan beyond its annual payments, which were equal to the City's required contributions for fiscal year 2002.

The City also provides certain post-retirement health care benefits for retirees and one dependent. As of the end of the current fiscal year, there were 465 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require the City to report a liability in the financial statements in connection with the obligation to provide these benefits.

Additional information on the City's pension arrangements and postemployment benefits can be found in Notes 10 and 13 in the notes to the financial

## **OTHER INFORMATION**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA again this year for the Certificate of Achievement.

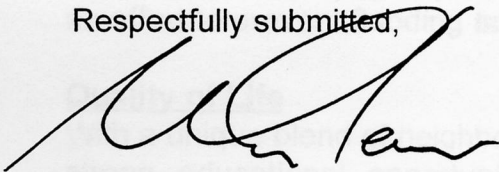
Additionally, the City received its eleventh consecutive Certificate of Outstanding Financial Reporting from the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 2001. We believe our current report continues to conform to the Certificate of Outstanding Financial Reporting program requirements and we are again submitting it to CSMFO.

### **Acknowledgments**

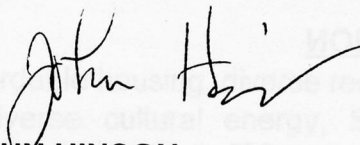
The Accounting Unit and the entire Administrative Services Department take great pride in the preparation of this report. The professional expertise and commitment of the entire Accounting Staff under the direction of Janet Salvetti, Finance Officer, Cathy Lucas, Accounting Manager, and Lynne Farrar, Supervising Accountant, continue to make this presentation possible. The Reprographics Section, under the supervision of Fred Dimas, Reprographics Supervisor, provides invaluable assistance in the printing and physical production of the CAFR.

I would also like to thank the Mayor, and the members of the City Council, for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



**MARK LEWIS, ESQ.**  
**CITY MANAGER**



**JOHN HINSON**  
**ADMINISTRATIVE SERVICES OFFICER**

**Certificate of  
Achievement for  
Excellence in Financial  
Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stockton, California for its comprehensive annual financial report for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governments financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Stockton has received a Certificate of Achievement for the last twelve consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Stockton,  
California**

**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001**

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Imelda Druwe*  
President

*Jeffrey L. Esler*  
Executive Director



# California Society of Municipal Finance Officers

## Certificate of Award

### Outstanding Financial Reporting 2000-2001

Presented to the

*City of Stockton*

*This certificate is issued in recognition of meeting professional standards and criteria in reporting  
which reflect a high level of quality in the annual financial statements  
and in the underlying accounting system from which the reports were prepared.*

February 20, 2002

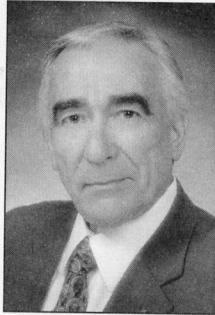


A handwritten signature in cursive script, reading "Denise Roberts".

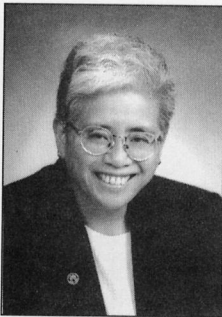
Chair, Professional & Technical Standards Committee

*Dedicated to Excellence in Municipal Financial Management*

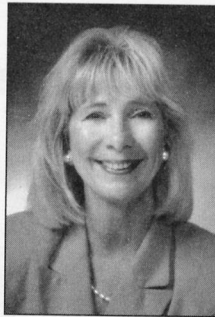
# CITY OF STOCKTON CITY COUNCIL



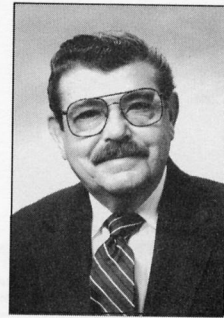
**GARY A. PODESTO**  
MAYOR



**GLORIA C. NOMURA**  
VICE MAYOR  
*District 6*



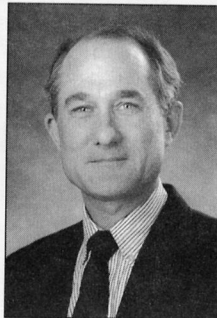
**ANN JOHNSTON**  
COUNCILMEMBER  
*District 1*



**RICHARD F. NICKERSON, MD**  
COUNCILMEMBER  
*District 2*



**LESLIE BARANCO MARTIN**  
COUNCILMEMBER  
*District 3*



**LARRY RUHSTALLER**  
COUNCILMEMBER  
*District 4*



**GARY GIOVANETTI**  
COUNCILMEMBER  
*District 5*



**Stockton**

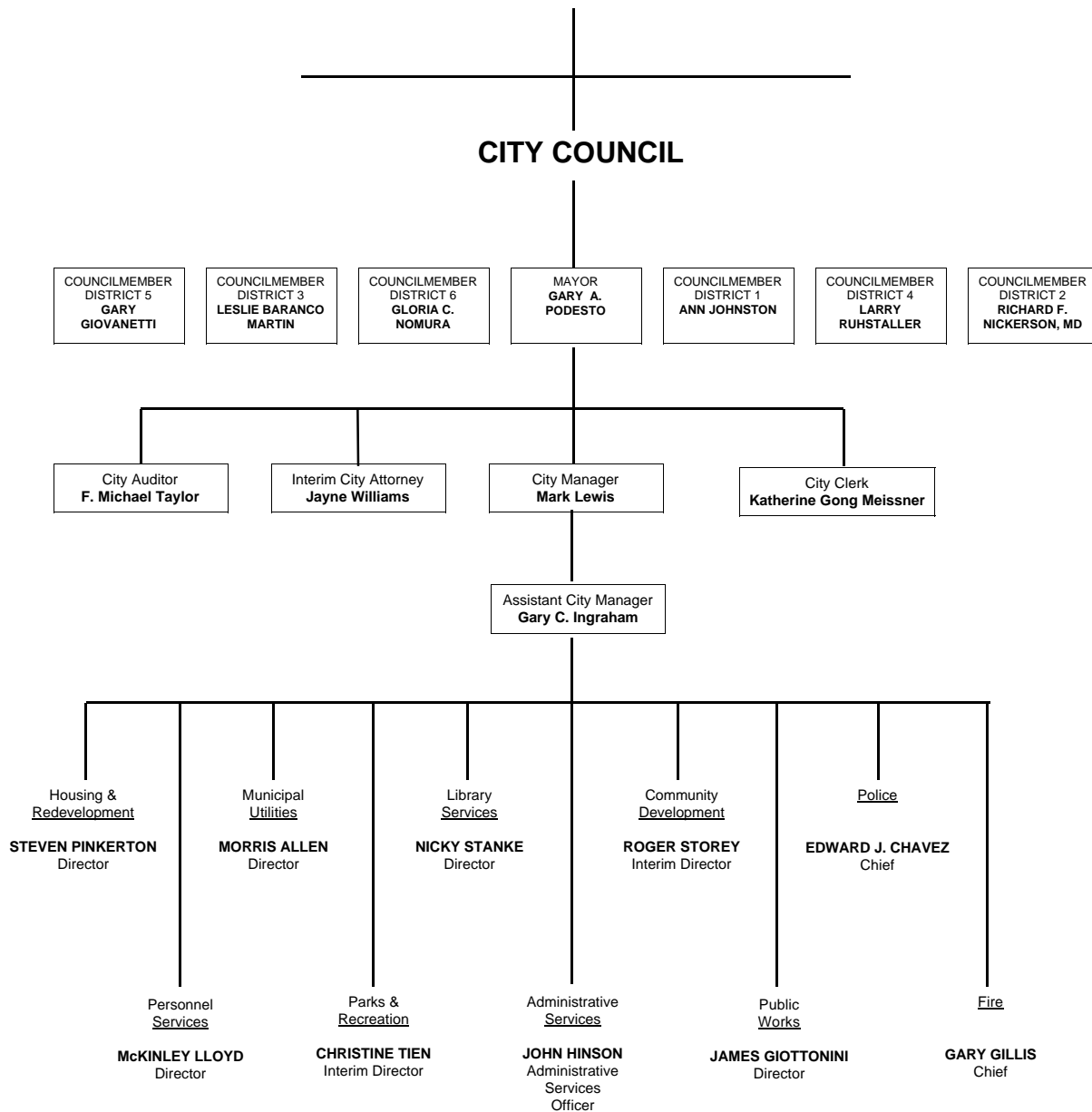


1999



**CITY OF STOCKTON  
ORGANIZATION CHART / LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2002**

**CITIZENS OF STOCKTON**



## ***FINANCIAL SECTION***

The Financial Section is comprised of the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements, including the notes, Required Supplementary Information, and Supplementary Information which includes Combining and Individual Fund Statements and Schedules.



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Management Consultants

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City Council  
City of Stockton  
Stockton, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stockton, California (City), as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stockton, California, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments – Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, as of July 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, schedules of defined benefit pension plans funded status and schedule of revenues, expenditures and changes in fund balance – budget and actual – on a budgetary basis – General Fund on pages 3 through 12 and pages 77 through 81, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macias, Meiri & Company LLP*

Certified Public Accountants

Sacramento, California  
November 15, 2002

## Management's Discussion and Analysis

The following is presented as discussion and analysis of the financial performance of the City of Stockton (City) for the fiscal year ended June 30, 2002. Please consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found at the beginning of the Comprehensive Annual Financial Report. All dollar amounts are expressed in thousands unless otherwise indicated.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Stockton exceeded its liabilities at the close of the 2002 fiscal year by \$683,572 (net assets). Of this amount, \$132,352 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors, \$126,990 is restricted for specific purposes (restricted net assets), and \$424,230 is invested in capital assets, net of related debt.
- The City's total net assets increased by \$68,458.
- The City's long-term debt related to governmental funds increased by \$25,647 (12.7%) at fiscal year end. The key factor in this increase was the issuance of \$30,880 of Community Facilities District Special Tax Bonds relating to three different developments within the City.
- As of June 30, 2002, the City's governmental funds (General Fund, special revenue funds, debt service funds, capital projects funds, and the Permanent Fund) reported combined ending fund balances of \$224,202. \$105,297 is unreserved fund balance or 47% of the total fund balance.
- At the end of the 2002 fiscal year, the General Fund unreserved fund balance of \$8,642 was designated for the following purposes: \$1,690 for termination pay, \$1,170 for uncollectible receivables, \$2,470 for infrastructure and \$3,312 for economic uncertainties. In total this represented 6% of General Fund expenditures of \$141,511 during the fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. Other supplementary information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The government-wide financial statements include the statement of net assets and the statement of activities. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety, public works, parks and recreation, library, and general government services. The business-type activities of the City include water utility, sanitary wastewater utility, stormwater utility, solid waste operations, golf courses, and the parking district.

The government-wide financial statements include the governmental activities of the Redevelopment Agency and the Stockton Public Financing Authority. Although legally separate from the City, these component units are blended with the primary government because of their governance or financial relationships to the City.

The **Statement of Net Assets** presents information on all City assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets and liabilities may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **Statement of Activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages 13-15 of this report.

**Fund Financial Statements** are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: **Governmental Funds, Proprietary Funds, and Fiduciary Funds.**

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds financial statements focus on how cash and other financial assets can readily be converted to available resources, as well as the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, and permanent funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Facilities Impact Fees Fund, and Capital Improvement Fund, which are considered to be major funds. Data from the remaining nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental funds financial statements can be found on pages 20-29 of this report.

**Proprietary Funds.** Proprietary funds are generally used to account for activities for which the City charges a fee to either its external or internal customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Water Utility, Sanitary Wastewater Utility, and Stormwater Utility, which are considered major funds. Data for the remaining nonmajor proprietary funds are combined into a single, aggregated presentation.
- **Internal Service Funds** are used to report activities that provide goods and services for certain City programs and activities. The City uses internal service funds to account for its fleet of vehicles, its information technology systems, radio and other equipment, and the City's self insurance programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 30-37 of this report.

**Fiduciary Fund.** The fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the City's own programs. As the City's only fiduciary fund, the Agency Fund is custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The basic fiduciary fund financial statement can be found on page 38 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-76 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: pension trend data for the City's defined benefit pension plan and budgetary comparisons for the City's General Fund. Required supplementary information can be found on pages 77-81 of this report.

**Combining Statements.** The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the first year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. Because this reporting model significantly changes both the recording and presentation of financial data, the City has not restated prior fiscal years for the purpose of providing comparative information for the MD&A. In future years, when prior year information is available, a comparative analysis of government-wide data will be included in this report.

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$683,572 at the close of the current fiscal year.

The largest portion of the City's net assets (62%) reflects its investment of \$424,230 in capital assets (e.g., land and easements, buildings and improvements, infrastructure, and equipment), less any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be liquidated for these liabilities.



**City of Stockton's Net Assets**  
**June 30, 2002**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Current and other assets	\$ 276,029	\$ 129,152	\$ 405,181
Capital assets	352,408	347,822	700,230
Total assets	<u>628,437</u>	<u>476,974</u>	<u>1,105,411</u>
<b>Liabilities:</b>			
Long-term liabilities outstanding	260,064	129,405	389,469
Other liabilities	26,298	6,072	32,370
Total liabilities	<u>286,362</u>	<u>135,477</u>	<u>421,839</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	202,832	221,398	424,230
Restricted	109,786	17,204	126,990
Unrestricted	29,457	102,895	132,352
Total net assets	<u>\$ 342,075</u>	<u>\$ 341,497</u>	<u>\$ 683,572</u>

An additional portion of the City's net assets, \$126,990 (19%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$132,352 (19%), may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole. This is also the case in both the governmental activities as well as business-type activities.

**City of Stockton's Change in Net Assets**  
**For the Year Ended June 30, 2002**

	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for service	\$ 43,488	\$ 53,976	\$ 97,464
Operating grants and contributions	8,950	-	8,950
Capital grants and contributions	27,654	15,824	43,478
General revenues:			
Property taxes	20,742	-	20,742
Utility taxes	31,462	-	31,462
Sales and use taxes	35,812	-	35,812
Other taxes	33,226	580	33,806
Grants and contributions not restricted to specific programs	15,454	6,974	22,428
Investment earnings	7,944	5,864	13,808
Gain on sale of capital assets	99	-	99
Other	4,047	-	4,047
Total revenues	228,878	83,218	312,096
<b>Expenses</b>			
General government	16,844	-	16,844
Public safety	106,062	-	106,062
Public works	30,895	-	30,895
Library	11,475	-	11,475
Parks and recreation	16,203	-	16,203
Interest and fiscal charges	11,186	-	11,186
Water utility	-	13,742	13,742
Sanitary wastewater utility	-	25,743	25,743
Stormwater utility	-	4,612	4,612
Other	-	6,876	6,876
Total expenses	192,665	50,973	243,638
Increase in net assets before Transfers	36,213	32,245	68,458
Transfers	5,627	(5,627)	-
Increase in net assets	41,840	26,618	68,458
Net assets at beginning of year	300,235	314,879	615,114
Net assets at end of year	\$ 342,075	\$ 341,497	\$ 683,572

**Governmental Activities.** Governmental activities increased the City's net assets by \$41,840 thereby accounting for 61% of the total growth in net assets of the City. The key elements of this increase are shown in the table on the previous page. As stated earlier, the City has not restated prior fiscal years, therefore comparative analysis has not been presented, as data for the prior year is not available.

**Business-type activities.** Business-type activities increased the City's net assets by \$26,618 or approximately 39% of the total growth in the City's net assets. This reflects a decrease of approximately \$5.4 million when compared with the previous year's increase in net assets of \$32,384. The key factor in this increase is as follows:

- In the previous year, the changes in net assets reflected a one-time increase of approximately \$5.7 million, which resulted from the net of the proceeds from the sale of the landfill and the subsequent transfer of the majority of these proceeds to various other City funds.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, special revenue funds, debt service funds, capital projects funds, and the Permanent Fund.

As of June 30, 2002, the City's governmental funds reported combined ending fund balances of \$224,202, an increase of \$29,808 in comparison with the prior fiscal year.

Revenues for governmental functions overall totaled \$231,226 in fiscal year 2002, which represents an increase of \$2,193 in comparison with the prior fiscal year. Expenditures for governmental functions, totaling \$237,072, increased by approximately 6% from the prior fiscal year. In the fiscal year ended June 30, 2002, expenditures for governmental functions exceeded revenues by \$5,846, or approximately 2.5%.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$8,642 and has been designated as follows: \$1,690 for termination pay, \$1,170 for uncollectible receivables, \$2,470 for infrastructure, and \$3,312 for economic uncertainties. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance designated for economic uncertainties to total fund expenditures. Unreserved fund balance designated for economic uncertainties represents approximately 2% of total General Fund expenditures of \$141,511. The total fund balance for the General Fund is \$15,069, which

consists of the designated unreserved fund balances of \$8,642, as mentioned above, and reserved fund balance in the amount of \$6,427.

Although revenues exceeded expenditures in the City's General Fund, operating transfers out totaling \$18,851 for capital improvements, infrastructure improvements, infrastructure reinvestment and the City / County Library resulted in a decrease of \$7,734 of the fund balance in the General Fund.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for the Water Utility were \$24,525, the Sanitary Wastewater Utility \$70,121, and the Stormwater Utility \$8,375. The Solid Waste, Golf Courses, and Central Parking District are combined for financial reporting purposes, and together have a deficit in unrestricted net assets of \$126. The internal service funds also have a deficit in unrestricted net assets of \$6,471.

The total growth in net assets for the proprietary funds was \$26,618. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted in an increase in appropriations of \$4,060 and can be briefly summarized as follows:

- The majority of the increase can be attributed to increases in appropriations relating to public safety of \$1,436, general government activities of \$1,113, including \$600 to implement consolidated utility billing and outsourcing for billing services, parks & recreation of \$1,067, and public works of \$407. Of these increases, \$181 was budgeted from federal grants & subsidies, \$1,895 was budgeted from normal operating revenues, and the balance was budgeted from existing fund balances.

During the year, actual revenues exceeded budgetary estimates by \$8,309. The majority of the revenue that exceeded budgetary amounts is an additional \$2,418 in taxes, \$2,183 in licenses and permits, \$2,196 in charges for services, and \$1,599 in refunds & reimbursements.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2002 amounts to \$700,230. This investment in capital assets includes land and easements, buildings and improvements, machinery and equipment, park facilities, roads, street, and bridges. The total increase in the City's capital assets for the current fiscal year was 8.4% (a 12.3% increase for governmental activities and a 4.7% increase for business-type activities) as shown in the table below.

## Changes in Capital Assets, Net of Depreciation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land	\$ 22,243	\$ 22,243	\$ 7,289	\$ 6,225	\$ 29,532	\$ 28,468
Buildings & Improvements	14,472	14,642	240,081	214,713	254,553	229,355
Machinery & Equipment	12,560	11,629	2,527	2,454	15,087	14,083
Infrastructure	153,696	134,663	-	-	153,696	134,663
Construction in Progress	149,437	130,503	97,925	108,728	247,362	239,231
Total	<u>\$ 352,408</u>	<u>\$ 313,680</u>	<u>\$ 347,822</u>	<u>332,120</u>	<u>\$ 700,230</u>	<u>\$ 645,800</u>

Additional information on the City's capital assets can be found in Note 5 on pages 55-56 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$325,417. Of this amount, \$119,000 is revenue bonds and certificates of participation backed by the City's Water and Wastewater Utilities and \$6,072 is Mello-Roos bonds and other obligations of the Central Parking District. The remainder includes \$109,362 of revenue bonds, \$53,232 of Mello-Roos bonds, and \$23,086 of special assessment bonds for various Community Facilities Districts (CFD) and Local Improvement Districts. In addition, there is a certificate of participation with a balance of \$14,665 for the City's Essential Services Building / Parking Structure.

During fiscal year 2002, the City's net bonded indebtedness increased by \$18,556. The key factor was the issuance of \$20,983 for the Spanos Park West CFD, \$6,130 for the Arch Road East CFD, and \$3,163 for the final phase of the Weston Ranch CFD. In addition, the business-type activities issued \$13,628 of refunding revenue bonds for the Water Utility and \$5,778 of Mello-Roos bonds for the Central Parking District in order to acquire outstanding debt. These bond issuances totaling \$49,682 are offset by \$31,126 of bond calls and principal payments made during the fiscal year. Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The unemployment rate for the City as of June 2002 was 11.0%. This is an increase of 1.4% from the June 2001 rate of 9.6%. The local unemployment rate is 4.5% higher than the State unemployment rate of 6.5%, however, the difference between the local and state rates has remained constant during the fiscal year.
- The current year has been a year of economic uncertainty. The events of September 11, 2001, the local, state and national recession, and local ballot initiatives each had an effect on the City's revenue. The City's revenue growth slowed greatly due to the recession, and 2002-03 revenues are expected to be fairly static.
- Sales tax revenue is expected to increase at a slower pace because of a reduction in consumer confidence caused by the slowing economy.
- A large revenue uncertainty still remains on the horizon. The State's current projection of its two-year budget shortfall is approximately \$21 billion. One of the State's traditional ways of solving its budget crisis is to take local revenue for the State.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Administrative Services Department of the City of Stockton at City Hall, 425 North El Dorado Street, Stockton, CA 95202.

# ***BASIC FINANCIAL STATEMENTS***

The Government-wide Financial Statements provide a broad overview of the City's financial position and operating results. Information is grouped by governmental activities or business-type activities.

The Fund Financial Statements report information about the City's Governmental Funds, Proprietary Funds, and the Fiduciary Fund.

The notes have an integral role in disclosing information essential to the fair presentation of the Basic Financial Statements.

# CITY OF STOCKTON

## STATEMENT OF NET ASSETS

JUNE 30, 2002

(Dollar amounts in thousands)

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 200,195	\$ 121,468	\$ 321,663
Interest receivable	1,540	1,403	2,943
Taxes receivable	719	-	719
Accounts receivable, net	12,395	5,416	17,811
Internal balances	1,924	(1,924)	-
Due from other governments	21,715	-	21,715
Inventory of supplies	240	1,121	1,361
Deposits	38	-	38
Advances to property owners	36,393	-	36,393
Property held for resale	353	-	353
Loans receivable	-	39	39
Deferred charges	517	1,629	2,146
Capital assets, net:			
Nondepreciable	171,680	105,214	276,894
Depreciable, net	180,728	242,608	423,336
Total assets	628,437	476,974	1,105,411
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	10,324	2,922	13,246
Accrued payroll and benefits	3,360	-	3,360
Accrued interest	4,158	2,142	6,300
Due to other governments	631	175	806
Deposits and other liabilities	2,117	811	2,928
Deferred revenue	5,708	22	5,730
Long-term liabilities:			
Due within one year	24,364	2,586	26,950
Due in more than one year	235,700	126,819	362,519
Total liabilities	286,362	135,477	421,839
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	202,832	221,398	424,230
Restricted for:			
Capital projects	24,506	-	24,506
Debt service	16,684	17,204	33,888
Other purposes	68,596	-	68,596
Unrestricted	29,457	102,895	132,352
Total net assets	\$ 342,075	\$ 341,497	\$ 683,572

The notes to the financial statements are an integral part of this statement.



# CITY OF STOCKTON

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 16,844	\$ 6,429	\$ 183	\$ 233
Public safety	106,062	29,272	3,315	123
Public works	30,895	5,675	44	25,846
Library	11,475	387	4,350	-
Parks and recreation	16,203	1,725	1,058	1,452
Interest and fiscal charges	11,186	-	-	-
Total governmental activities	192,665	43,488	8,950	27,654
Business-type activities:				
Water utility	13,742	15,720	-	3,138
Sanitary wastewater utility	25,743	27,298	-	10,503
Stormwater utility	4,612	4,288	-	2,183
Other	6,876	6,670	-	-
Total business-type activities	50,973	53,976	-	15,824
Total	\$ 243,638	\$ 97,464	\$ 8,950	\$ 43,478

### General revenues:

#### Taxes:

Property  
Utility  
Sales and use  
Other

Grants and contributions not  
restricted to specific programs

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year, as restated

Net assets, end of year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (9,999)		\$ (9,999)
(73,352)		(73,352)
670		670
(6,738)		(6,738)
(11,968)		(11,968)
<u>(11,186)</u>		<u>(11,186)</u>
 <u>(112,573)</u>		 <u>(112,573)</u>
	\$ 5,116	5,116
	12,058	12,058
	1,859	1,859
	<u>(206)</u>	<u>(206)</u>
	 <u>18,827</u>	 <u>18,827</u>
<u>(112,573)</u>	<u>18,827</u>	<u>(93,746)</u>
 20,742	-	20,742
31,462	-	31,462
35,812	-	35,812
33,226	580	33,806
 15,454	6,974	22,428
7,944	5,864	13,808
4,047	-	4,047
99	-	99
<u>5,627</u>	<u>(5,627)</u>	<u>-</u>
<u>154,413</u>	<u>7,791</u>	<u>162,204</u>
 41,840	26,618	68,458
<u>300,235</u>	<u>314,879</u>	<u>615,114</u>
<u>\$ 342,075</u>	<u>\$ 341,497</u>	<u>\$ 683,572</u>

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## **FUND FINANCIAL STATEMENTS**

### **Governmental Fund Types**

Governmental funds consist of the General Fund, special revenue funds, debt service funds and capital projects funds.

Major Governmental Funds include:

- **General Fund**  
The fund used to account for resources that are not required legally or by sound financial management to be accounted for in another fund.
- **Public Facilities Impact Fees**  
To account for the collection of and expenditure of fees imposed as a condition of new development within the City. Impact fees have been established for each of the following types of public facilities:
  - Traffic signals
  - Street improvements
  - Community recreation centers
  - City office space
  - Fire stations
  - Libraries
  - Police stations
  - Parkland, street tree & street signs
  - Street light in-lieu
  - Air quality mitigation
  - Habitat & open space conservation
  - Infrastructure Financing District 92-1 - administration
  - Public facilities fees - administration
- **Capital Improvement**  
To account for the acquisition, construction and improvement of capital facilities financed by grants and operating transfers from other City funds.

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## **Proprietary Fund Types**

Proprietary funds consist of the enterprise funds and the internal service funds.

Major enterprise funds include:

- **Water Utility**  
To account for activities associated with the acquisition or construction of water facilities, production, distribution and transmission of potable water to users.
- **Sanitary Wastewater Utility**  
To account for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for drainage, treatment, and disposal of sanitary wastewater.
- **Stormwater Utility**  
To account for activities associated with the acquisition or construction, and operation and maintenance of stormwater facilities for drainage and disposal of stormwater wastewater.

## **Fiduciary Fund Type**

The only fiduciary fund is the:

- **Agency fund**  
To account for assets held in an agency capacity for parties outside the City. The resources of this fund cannot be used to support the City's own programs.

# CITY OF STOCKTON

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2002

(Dollar amounts in thousands)

	General	Public Facilities Impact Fees	Capital Improvement
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,221	\$ 48,461	\$ 25,595
Cash and cash equivalents with fiscal agents	-	-	209
Receivables:			
Interest	346	513	220
Taxes and special assessments	41	-	-
Accounts and other receivables	13,331	1,358	28
Allowance for uncollectibles	(2,854)	-	-
Due from other funds	468	-	300
Due from other governments	3,444	11	5,470
Inventory of supplies	240	-	-
Deposits	-	-	-
Advances to other funds	1,283	-	14,306
Advances to property owners	-	406	-
Property held for resale	-	-	-
Total assets	<u>\$ 23,520</u>	<u>\$ 50,749</u>	<u>\$ 46,128</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,798	\$ 1,052	\$ 2,395
Accrued payroll and benefits	3,360	-	-
Due to other funds	-	-	-
Due to other governments	242	-	30
Deposits and other liabilities	78	-	-
Deferred revenue	2,973	1,010	1,509
Advances from other funds	-	5,516	-
Total liabilities	<u>8,451</u>	<u>7,578</u>	<u>3,934</u>
<b>FUND BALANCES:</b>			
Reserved for:			
Encumbrances	1,969	333	2,685
Advances	1,283	406	14,306
Debt service	-	-	-
Loan commitment	2,277	-	-
Low- and moderate-income housing	-	-	-
Endowments	-	-	-
Other items	898	399	1,406
Unreserved, reported in:			
General Fund:			
Designated for termination pay	1,690	-	-
Designated for uncollectible receivables	1,170	-	-
Designated for infrastructure	2,470	-	-
Designated for economic uncertainties	3,312	-	-
Special revenue funds:			
Designated for termination pay	-	-	-
Undesignated	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	42,033	23,797
Permanent fund	-	-	-
Total fund balances	<u>15,069</u>	<u>43,171</u>	<u>42,194</u>
Total liabilities and fund balances	<u>\$ 23,520</u>	<u>\$ 50,749</u>	<u>\$ 46,128</u>

The notes to the financial statements are an integral part of this statement.

---

Other Governmental	Total Governmental
\$ 68,610	\$ 149,887
23,374	23,583
461	1,540
678	719
332	15,049
-	(2,854)
-	768
12,466	21,391
-	240
38	38
15,552	31,141
35,987	36,393
353	353
<u>\$ 157,851</u>	<u>\$ 278,248</u>

\$ 3,348	\$ 8,593
-	3,360
768	768
359	631
2,039	2,117
3,868	9,360
23,701	29,217
<u>34,083</u>	<u>54,046</u>

2,159	7,146
51,539	67,534
34,854	34,854
-	2,277
1,062	1,062
1,383	1,383
1,946	4,649
-	1,690
-	1,170
-	2,470
-	3,312
132	132
18,043	18,043
(22)	(22)
12,414	78,244
258	258
<u>123,768</u>	<u>224,202</u>
<u>\$ 157,851</u>	<u>\$ 278,248</u>



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# CITY OF STOCKTON

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS JUNE 30, 2002 (Dollar amounts in thousands)

---

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - total governmental	\$ 224,202
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Nondepreciable capital assets	171,680
Depreciable capital assets, net	168,418
Internal service funds are used by management to charge the costs of central garage, computer equipment, radio equipment, other equipment, general insurance, workers' compensation insurance, health benefits insurance, and other insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,839
Various long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:	
Compensated absences	(18,989)
Bonds payable and other long-term debt	(209,621)
Unamortized bond discounts	596
Accrued interest	(4,158)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are:	
deferred in the governmental funds, or	3,652
not recorded in the governmental funds.	<u>456</u>
Net assets of governmental activities	<u><u>\$ 342,075</u></u>

The notes to the financial statements are an integral part of this statement.

# CITY OF STOCKTON

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	General	Public Facilities Impact Fees	Capital Improvement
REVENUES:			
Taxes:			
Property	\$ 18,992	\$ -	\$ -
Utility	31,462	-	-
Sales and use	32,489	-	-
Other	14,959	-	17
Licenses and permits	5,493	-	-
Federal grants and subsidies	121	-	233
Other governmental	16,006	-	6,714
Charges for services	17,103	13,263	-
Fines and forfeitures	1,549	-	3
Use of money and property	601	161	706
Investment income:			
Interest income	1,295	2,147	1,186
Net increase in fair value of investments	166	215	86
Refunds and reimbursements	2,309	-	458
Miscellaneous	5,432	-	672
	<u>147,977</u>	<u>15,786</u>	<u>10,075</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	15,066	-	-
Public safety	100,770	-	-
Public works	13,347	-	-
Library	-	-	-
Parks and recreation	12,295	-	-
Capital outlay	33	14,308	15,288
Debt service:			
Principal retirement	-	-	-
Cost of issuance	-	-	-
Interest and fiscal charges	-	-	-
	<u>141,511</u>	<u>14,308</u>	<u>15,288</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,466</u>	<u>1,478</u>	<u>(5,213)</u>

The notes to the financial statements are an integral part of this statement.

---

Other Governmental	Total Governmental
\$ 1,750	\$ 20,742
-	31,462
3,323	35,812
18,456	33,432
-	5,493
8,834	9,188
19,530	42,250
1,751	32,117
-	1,552
338	1,806
2,058	6,686
248	715
543	3,310
557	6,661
<hr/> 57,388	<hr/> 231,226
1,116	16,182
1,856	102,626
1,859	15,206
10,403	10,403
1,138	13,433
31,023	60,652
7,290	7,290
466	466
10,814	10,814
<hr/> 65,965	<hr/> 237,072
<hr/> (8,577)	<hr/> (5,846)

(Continued)

# CITY OF STOCKTON

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	General	Public Facilities Impact Fees	Capital Improvement
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,466</u>	<u>1,478</u>	<u>(5,213)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	4,651	-	11,811
Transfers out	(18,851)	(140)	(707)
Proceeds of long-term debt	-	-	-
Discounts	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(14,200)</u>	<u>(140)</u>	<u>11,104</u>
NET CHANGE IN FUND BALANCES	(7,734)	1,338	5,891
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	<u>22,803</u>	<u>41,833</u>	<u>36,303</u>
FUND BALANCES, END OF YEAR	<u>\$ 15,069</u>	<u>\$ 43,171</u>	<u>\$ 42,194</u>

The notes to the financial statements are an integral part of this statement.

---

Other Governmental	Total Governmental
<u>(8,577)</u>	<u>(5,846)</u>
22,498	38,960
(15,950)	(35,648)
32,946	32,946
<u>(604)</u>	<u>(604)</u>
<u>38,890</u>	<u>35,654</u>
30,313	29,808
<u>93,455</u>	<u>194,394</u>
<u>\$ 123,768</u>	<u>\$ 224,202</u>

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# CITY OF STOCKTON

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

---

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental	\$ 29,808
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. Capital outlays and depreciation expense are as follows:	
Capitalized capital outlays	42,891
Depreciation expense	(5,061)
Long-term debt proceeds, net of bond discounts, provide current financial resources to governmental funds, but issuing debt proceeds increases long-term liabilities in the statement of net assets. Repayment of principal and costs of issuance are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets, and the costs of issuance increase deferred changes in the statement of net assets. Long-term debt proceeds, bond discounts, repayment of principal, and costs of issuance are as follows:	
Long-term debt proceeds	(32,946)
Bond discounts	604
Repayment of principal	7,290
Costs of issuance	466
Internal service funds are used by management to charge the costs of certain activities, such as central garage, equipment, and insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	(380)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Deferred revenue	127
Other expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the governmental funds.	
Change in compensated absences	(587)
Amortization of bond discounts and costs of issuance	(18)
Change in accrued interest	(354)
Change in net assets of governmental activities	<u><u>\$ 41,840</u></u>

The notes to the financial statements are an integral part of this statement.



# CITY OF STOCKTON

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2002

(Dollar amounts in thousands)

	Enterprise		
	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 24,080	\$ 69,545	\$ 8,403
Cash and cash equivalents with fiscal agents	-	225	-
Receivables:			
Interest	260	725	91
Accounts and other receivables	1,810	4,510	697
Allowance for uncollectibles	(203)	(1,517)	(147)
Due from other governments	-	-	-
Inventory of supplies	-	1,121	-
Total current assets	<u>25,947</u>	<u>74,609</u>	<u>9,044</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	-	-	-
Cash and investments with fiscal agents	-	16,829	-
Interest receivable	-	308	-
Loans receivable	10	29	-
Deferred charges	187	1,338	-
Capital assets, net:			
Nondepreciable	4,359	95,167	459
Depreciable, net	53,128	145,519	33,558
Total noncurrent assets	<u>57,684</u>	<u>259,190</u>	<u>34,017</u>
Total assets	<u>83,631</u>	<u>333,799</u>	<u>43,061</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	259	2,412	72
Due to other governments	175	-	-
Deposits and other liabilities	698	15	-
Accrued interest	109	1,874	20
Deferred revenue	1	21	-
Compensated absences - current	136	539	38
Self-insurance claims and judgments - current	-	-	-
Other long-term debt - current	(20)	1,575	152
Total current liabilities	<u>1,358</u>	<u>6,436</u>	<u>282</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences - long-term	246	1,009	54
Self-insurance claims and judgments - long-term	-	-	-
Advances from other governments	986	-	485
Certificates of participation	-	103,791	-
Bonds payable	13,665	-	-
Total noncurrent liabilities	<u>14,897</u>	<u>104,800</u>	<u>539</u>
Total liabilities	<u>16,255</u>	<u>111,236</u>	<u>821</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	42,851	135,305	33,865
Restricted for debt service	-	17,137	-
Unrestricted	24,525	70,121	8,375
Total net assets	<u>\$ 67,376</u>	<u>\$ 222,563</u>	<u>\$ 42,240</u>

The notes to the financial statements are an integral part of this statement.

Other	Total	Internal Service
\$ 2,168	\$ 104,196	\$ 26,725
-	225	-
19	1,095	-
382	7,399	346
(116)	(1,983)	(146)
-	-	324
-	1,121	-
<u>2,453</u>	<u>112,053</u>	<u>27,249</u>
158	158	-
60	16,889	-
-	308	-
-	39	-
104	1,629	61
-	-	-
5,229	105,214	-
<u>10,403</u>	<u>242,608</u>	<u>12,310</u>
<u>15,954</u>	<u>366,845</u>	<u>12,371</u>
<u>18,407</u>	<u>478,898</u>	<u>39,620</u>
179	2,922	1,731
-	175	-
98	811	-
139	2,142	-
-	22	-
157	870	319
-	-	8,177
9	1,716	-
<u>582</u>	<u>8,658</u>	<u>10,227</u>
1,924	1,924	-
520	1,829	553
-	-	23,001
-	1,471	-
-	103,791	-
<u>6,063</u>	<u>19,728</u>	<u>-</u>
<u>8,507</u>	<u>128,743</u>	<u>23,554</u>
<u>9,089</u>	<u>137,401</u>	<u>33,781</u>
9,377	221,398	12,310
67	17,204	-
(126)	102,895	(6,471)
<u>\$ 9,318</u>	<u>\$ 341,497</u>	<u>\$ 5,839</u>

# CITY OF STOCKTON

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Enterprise		
	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
OPERATING REVENUES:			
Charges for services	\$ 15,491	\$ 26,870	\$ 4,124
Miscellaneous	212	390	164
Total operating revenues	15,703	27,260	4,288
OPERATING EXPENSES:			
Operation and maintenance	4,928	15,478	1,970
General and administrative	2,960	5,381	1,568
Depreciation and amortization	1,318	4,144	1,074
Purchased water	3,407	-	-
Total operating expenses	12,613	25,003	4,612
OPERATING INCOME (LOSS)	3,090	2,257	(324)
NON-OPERATING REVENUES (EXPENSES):			
Taxes	-	-	-
Federal grants and subsidies	-	-	-
Other governmental	-	6,974	-
Investment income:			
Interest income	1,138	3,771	384
Net increase in fair value of investments	102	282	36
Gain (loss) from disposal of property	-	-	-
Interest expense and fiscal charges	(1,129)	(740)	-
Other non-operating revenues	17	38	-
Total non-operating revenues (expenses)	128	10,325	420
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,218	12,582	96
Capital contributions	3,138	10,503	2,183
Transfers in	-	-	-
Transfers out	(816)	(1,167)	(330)
CHANGE IN NET ASSETS	5,540	21,918	1,949
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	61,836	200,645	40,291
NET ASSETS, END OF YEAR	\$ 67,376	\$ 222,563	\$ 42,240

The notes to the financial statements are an integral part of this statement.

Other	Total	Internal Service
\$ 6,125	\$ 52,610	\$ 58,990
545	1,311	-
6,670	53,921	58,990
6,072	28,448	57,429
-	9,909	3,822
399	6,935	2,626
-	3,407	-
6,471	48,699	63,877
199	5,222	(4,887)
580	580	-
-	-	615
-	6,974	6
147	5,440	498
4	424	45
(143)	(143)	99
(262)	(2,131)	-
-	55	929
326	11,199	2,192
525	16,421	(2,695)
-	15,824	-
598	598	5,615
(3,912)	(6,225)	(3,300)
(2,789)	26,618	(380)
12,107	314,879	6,219
<u>\$ 9,318</u>	<u>\$ 341,497</u>	<u>\$ 5,839</u>

# CITY OF STOCKTON

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Enterprise		
	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 15,432	\$ 26,954	\$ 3,861
Receipts from interfund service providers	-	40	100
Payments to suppliers	(9,186)	(12,270)	(2,256)
Payments to employees	(2,406)	(7,138)	(1,182)
Payments for interfund services used	(134)	(718)	(69)
Net cash provided by operating activities	3,706	6,527	454
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in	-	-	-
Transfers out	(816)	(1,167)	(330)
Advances from other funds	-	-	-
Other non-operating revenues	17	38	-
Proceeds from taxes	183	15	-
Other governmental	-	6,974	-
Federal grants and subsidies	-	-	-
Net cash provided (used) by noncapital financing activities	(616)	5,860	(330)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	-	-	-
Proceeds from capital debt	13,793	-	-
Principal paid on capital debt	(15,990)	(1,855)	-
Purchases of capital assets	(4,037)	(14,962)	(2,183)
Interest paid on capital debt	(1,090)	(425)	(4)
Capital contributions	3,138	10,503	2,183
Net cash used by capital and related financing activities	(4,186)	(6,739)	(4)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	1,300	4,090	436
Net cash provided by investing activities	1,300	4,090	436
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	204	9,738	556
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	23,876	61,172	7,847
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 24,080</u>	<u>\$ 70,910</u>	<u>\$ 8,403</u>

The notes to the financial statements are an integral part of this statement.

Other	Total	Internal Service
\$ 6,689	\$ 52,936	\$ 1,023
-	140	63,104
(1,932)	(25,644)	(53,115)
(4,142)	(14,868)	(9,301)
(48)	(969)	-
567	11,254	1,711
598	598	5,615
(3,912)	(6,225)	(3,300)
700	700	-
-	55	929
677	875	-
5	6,979	78
-	-	615
(1,932)	2,982	3,937
2	2	99
6,027	19,820	-
(7,147)	(24,992)	-
(1,478)	(22,660)	(3,524)
(245)	(1,764)	-
-	15,824	-
(2,841)	(13,770)	(3,425)
195	6,021	543
195	6,021	543
(4,011)	6,487	2,766
6,397	99,292	23,959
<u>\$ 2,386</u>	<u>\$ 105,779</u>	<u>\$ 26,725</u>

(Continued)

# CITY OF STOCKTON

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Enterprise		
	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 3,090	\$ 2,257	\$ (324)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,318	4,144	1,074
Provision for uncollectible accounts	(7)	(141)	(13)
Self-insurance	-	-	-
Changes in assets and liabilities:			
Accounts and other receivables	(289)	(148)	(168)
Inventory of supplies	-	123	-
Loans receivable	6	18	-
Accounts payable	(499)	160	5
Accrued payroll and benefits	-	-	-
Due to other governments	75	-	-
Deposits and other liabilities	19	-	-
Compensated absences	(7)	109	26
Deferred revenue	-	5	-
Advances from other governments	-	-	(146)
Net cash provided by operating activities	<u>\$ 3,706</u>	<u>\$ 6,527</u>	<u>\$ 454</u>
NONCASH TRANSACTIONS:			
Net increase in fair value of investments	\$ 102	\$ 282	\$ 36
Deleted capital assets due to increased capitalization threshold	420	191	245
Disposed capital assets	-	-	-
Reconciliation of cash and cash equivalents to the combining statement of net assets - proprietary funds:			
Cash and cash equivalents	\$ 24,080	\$ 69,545	\$ 8,403
Cash with cash equivalents fiscal agents	-	225	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Cash and investments with fiscal agents	-	16,829	-
Total cash and investments	24,080	86,599	8,403
Less investments reported as:			
Cash and investments with fiscal agents	-	15,689	-
Net cash and cash equivalents	<u>\$ 24,080</u>	<u>\$ 70,910</u>	<u>\$ 8,403</u>

The notes to the financial statements are an integral part of this statement.

Other	Total	Internal Service
\$ 199	\$ 5,222	\$ (4,887)
399	6,935	2,626
(4)	(165)	(228)
-	-	5,137
15	(590)	224
-	123	-
-	24	-
(68)	(402)	(462)
-	-	(761)
-	75	-
8	27	-
18	146	62
-	5	-
-	(146)	-
<u>\$ 567</u>	<u>\$ 11,254</u>	<u>\$ 1,711</u>
\$ 4	\$ 424	\$ 44
51	907	3,810
143	143	-
\$ 2,168	\$ 104,196	\$ 26,725
-	225	-
158	158	-
60	16,889	-
2,386	121,468	26,725
-	15,689	-
<u>\$ 2,386</u>	<u>\$ 105,779</u>	<u>\$ 26,725</u>



# CITY OF STOCKTON

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND

JUNE 30, 2002

(Dollar amounts in thousands)

---

	Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,723
Receivables:	
Accounts and other receivables	166
Due from other governments	<u>34</u>
Total assets	<u><u>\$ 9,923</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 39
Due to other governments	2,814
Deposits and other liabilities	<u>7,070</u>
Total liabilities	<u><u>\$ 9,923</u></u>

The notes to the financial statements are an integral part of this statement.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

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# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – The City of Stockton (City) was incorporated on July 25, 1850 under the general laws of the State of California. The City's original charter was adopted on January 15, 1889. The City operates under a Council-Manager form of government consisting of seven elected council members including the mayor and a council appointed City Manager. The City provides the following services as authorized by its charter: public safety (police, fire, paramedics, and building), sanitation (solid waste disposal, sanitary wastewater, and stormwater utilities), water utility, community development, library, parks and recreation, and general administrative services.

As required by accounting principles generally accepted in the United States of America and Governmental Accounting Standards Board (GASB) Statement 14, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each blended component unit has a June 30 year-end.

The San Joaquin Area Flood Control Agency (SJAFCFA) was established by City Council resolution on May 15, 1995 and is jointly governed by the City and San Joaquin County. The City retains no on-going financial interest in nor obligation to SJAFCFA.

**Blended Component Units** – The Redevelopment Agency of the City of Stockton (Agency) was formed to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the City. City Council members in separate session serve as the governing board of the Agency, and all accounting and administrative functions are performed by the City. The Agency is reported in the City's fund financial statements as a special revenue fund and capital projects fund, as well as in the City's government-wide financial statements.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Stockton Public Financing Authority (SPFA) was created in June 1990 and carries out lease financing for the City Sanitary Wastewater Utility, Water Utility, General Fund, Mello-Roos, and Marks-Roos districts. The SPFA governing board is the same as the City Council members. The SPFA is reported in the City's fund financial statements as a debt service fund and capital projects fund, as well as in the City's government-wide financial statements. Consistent with the National Council on Governmental Accounting (NCGA) Statement No. 5 and GASB Statement 14, capital leases between the primary government and blended component units are eliminated. The debt and assets are reported in the primary government. Accordingly, the Sanitary Wastewater Utility and Water Utility enterprise funds report the capital assets and related certificates of participation and bonds issued by the SPFA and leased to these two enterprise funds under capital leases.

Financial statements for the Agency and SPFA may be obtained at the entities' respective administration office as follows:

Redevelopment Agency of the  
City of Stockton  
425 North El Dorado Street  
Stockton, CA 95202-1997

Stockton Public Financing Authority  
City of Stockton  
425 North El Dorado Street  
Stockton, CA 95202-1997

**Implementation of New Accounting Pronouncements** – In June 1999 and June 2001, the GASB issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," and Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments – Omnibus," respectively. These statements provide for the most significant change in financial reporting in over twenty years and are scheduled for a phased implementation (based on size of government) starting with fiscal year ending 2002. As a part of these statements, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.).

In June 2001, the GASB issued Statement No. 38, "Certain Financial Statement Note Disclosures." This statement modifies, adds, and deletes various note disclosure requirements. Those requirements address revenue recognition policies, actions taken in response to legal violations, debt service requirements, variable-rate debt, receivable and payable balances, interfund transactions and balances, and short-term debt.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting and reporting requirements of GASB 34, 37, and 38 have been implemented in these basic financial statements.

**Government-wide and Fund Financial Statements** – The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation** – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenues are recognized for utility funds based on billings rendered to customers. The City accrues revenues for services provided but not yet billed, at the end of a fiscal period.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

For this purpose, the government considers intergovernmental revenues, which are primarily grants and subventions, received as reimbursement for specific purposes or projects to be available if they are expected to be received within the upcoming year to repay interfund liabilities incurred as a result of borrowing the cash in order to pay the expenditures. Other major revenues in accordance with GASB Statement No. 22, "Accounting For Taxpayer Assessed Tax Revenues in Governmental Funds" are considered to be available if they are collected within 60 days of the end of the current fiscal period. Such revenues include sales, transient occupancy, gas, and utility user taxes, franchise fees, interest, and intergovernmental revenues, which are virtually unrestricted as to purpose of expenditure and revocable only for failure to meet prescribed compliance requirements. All other revenue items, such as business licenses and fines and penalties, are considered to be measurable and available only when received by the City.

Property taxes receivable are recorded in the fiscal year for which the tax is levied. Revenue is recognized when measurable and available. Property taxes collected in advance are recorded as deferred revenue and recognized as revenue in the year they become available. The County of San Joaquin levies, bills and collects property taxes for the City of Stockton. Property taxes paid to the City by the County within 60 days after the end of the fiscal year are "available" and are, therefore, recognized as revenue.

Secured and unsecured property taxes are levied based on the assessed value as of January 1, the lien date, of the preceding fiscal year. Secured property tax is levied on October 1 and due in two installments, on November 1 and February 1. Collection dates are December 10 and April 10, which are also the delinquent dates. At that time, delinquent accounts are assessed a penalty of 10 percent. Accounts that remain unpaid on June 30 are charged an additional 1 1/2 percent per month. Unsecured property tax is levied on July 1 and due on July 31, and has a collection date of August 31 which is also the delinquent date. The penalty percentage rates are the same as secured property tax.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records deferred revenue related to uncollected estimated special assessments not yet payable and intergovernmental revenues (primarily grants and subventions) received but not earned.

On July 6, 1988, the City Council adopted (Ordinance No. 56-88C.S.) Stockton Municipal Code Sections 16-175 et seq. creating and establishing the authority for imposing and charging Public Facilities Fees. These funds are to provide for the mitigation of the impact of contemplated future development on existing public facilities and to provide for new public facilities and improvements as needed. On September 12, 1988, the City Council adopted Resolution No. 88-0616 imposing Public Facilities Fees to be paid at the time of issuance of a building permit for development. The revenue is recognized when the building permits are paid. The building division began collecting these fees on November 14, 1988.

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with government, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, business and utility taxes, interest and rental income, charges for services, and state grants.

**Public Facilities Impact Fees Capital Projects Fund** accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. Impact fees have been established for each of the following types of public facilities: traffic signals, street improvements, community recreation centers, city office space, fire stations, libraries, police stations, parkland and street tree/street signs, street light in-lieu, air quality mitigation, habitat and open space conservation, infrastructure financing district 92-1 administration, and public facilities fees administration.

**Capital Improvement Capital Projects Fund** accounts for the acquisition, construction and improvement of capital facilities financed by grants and operating transfers from other City funds.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major enterprise funds:

***Water Utility Fund*** accounts for activities associated with the acquisition or construction of water facilities, production, distribution and transmission of potable water to users.

***Sanitary Wastewater Utility Fund*** accounts for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for drainage, treatment, and disposal of sanitary wastewater.

***Stormwater Utility Fund*** accounts for activities associated with the acquisition or construction, and operation and maintenance of stormwater facilities for drainage and disposal of stormwater wastewater.

Additionally, the City reports the following fund types:

***Internal Service Funds*** account for the financing of goods, services, or facilities provided by one City department to other City departments on a cost-reimbursement basis.

***Agency Fund*** accounts for assets held by the City as an agent for individuals, private organizations and/or other governmental units. The Agency Fund is custodial in nature and does not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Investments** – Except as described below, the City pools idle cash from all funds for the purpose of maximizing interest through investment activities. Pooled investments do not include certain bond proceeds. Investments are carried at fair value with the exception of money market investments and certain nonparticipating guaranteed investment contracts, which are carried at cost. The fair value of investments is based on published market prices and quotations from major investment brokers.

The Local Agency Investment Fund (LAIF) is an external investment pool established under California State statutes. LAIF is not registered with the Securities and Exchange Commission. LAIF falls under the regulatory oversight of the State of California. Based on information obtained from the State of California, the investment in LAIF has been recorded at fair value.

Interest income on pooled investments is allocated on the basis of average daily cash balances in the General Fund, special revenue funds, debt service funds, capital projects funds, Water Utility Fund, Sanitary Wastewater Utility Fund, Stormwater Utility Fund, Solid Waste Fund, Central Parking Fund, internal service self-insurance funds, and the Agency Fund, as required by law or as directed by the City Council adopted budget. The remainder of interest income is credited to the General Fund as required by California Government Code.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents. The LAIF and money market investments are determined to be included as cash and cash equivalents. Proceeds from debt and other cash and investments held by fiscal agents by agreement are classified as restricted assets in the proprietary funds.

**Receivables/Payables** – Short-term interfund loan receivables and payables are reported as “due from other funds” and “due to other funds,” respectively.

Long-term interfund loan receivables are reported as “advances to other funds” and are offset equally by fund balance reservations that indicate they do not constitute expendable available resources and, therefore, are not available for appropriation. The corresponding long-term interfund loan payables are reported as “advances from other funds.”

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

“Advances to property owners” represent loans for repairs to low-income owner- and tenant-occupied households throughout the City. These loans are to be repaid over an extended period of time; therefore, the vast majority of the year-end balance will not be repaid within the next year.

**Inventory of Supplies** – Inventories are physically counted annually and valued at cost, on the weighted average method, which approximates market. Inventories consist of expendable supplies held on a consumption basis, wherein the cost is recorded as an expenditure at the time an item is consumed.

**Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. In accordance with accounting principles generally accepted in the United States of America, the City capitalizes net interest cost of funds borrowed to finance the construction of fixed assets in the proprietary fund types. For the year ended June 30, 2002, capitalized interest costs equaled \$5,239 in connection with the construction in progress.

Property, plant, equipment, and infrastructure of the City is depreciated using the straight line method over the following estimated useful lives:

Building and structures	30 - 50 years
Improvements other than buildings	20 - 30 years
Machinery and equipment	5 - 30 years
Roads and streets infrastructure	50 - 65 years
Curb and gutter infrastructure	30 years
Streetlight and traffic control devices infrastructure	30 years
Transmission and distribution plant (including infrastructure such as water, sanitary wastewater and stormwater mains and laterals)	50 - 100 years

***Vacation, Sick, and Earned Time Leave Pay*** – Accrued vacation leave is payable at 100% of accumulated hours upon separation of service. Accrued sick leave is payable at 50% of accumulated hours for all City employees upon separation of service due to death, service or disability retirement based upon terms negotiated with individual bargaining units. Police and Fire department safety and management employees, mid-management, law and unrepresented employees are also eligible for pay-off of 50% of accumulated sick leave upon termination after ten years of service. All bargaining unit employees may sell back their remaining 50% of accrued sick leave hours for additional California Public Employees' Retirement System (PERS) service credit upon retirement. Police and Fire department safety employees are eligible for pay-off of 100% of accumulated earned time (or overtime) up to one year's accrual upon retirement based on years of service. Pay-off of accumulated earned time is reportable PERS compensation.

The value of accumulated vacation, sick, and earned time is accrued, as appropriate, for all funds. With respect to obligations of the governmental fund types, the amounts are presented in the government-wide financial statements.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Long-Term Obligations** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Capital Contributions** – Connection fees are recorded as revenue in the Water Utility, Sanitary Wastewater Utility, and Stormwater Utility enterprise funds.

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Accounting for Escheat Property** – The City is in compliance with the GASB Statement 21, *Accounting for Escheat Property*, and accounts for these assets in the ultimate fund (General Fund) when the assets are deemed to be escheat in accordance with California state law.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of the pool is displayed on the balance sheet (governmental funds) and the statement of net assets (proprietary funds) as "cash and cash equivalents."

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 2. CASH AND INVESTMENTS (Continued)

**Deposits** – At June 30, 2002, the recorded amount of the City's deposits was \$10,604; and the bank balance was \$5,421. The bank balance and carrying amount differ due to deposits in transit of \$9,514 and outstanding checks of \$4,331.

The bank balances were entirely insured or collateralized at June 30, 2002. The California Government Code requires financial institutions to secure a city's deposits, in excess of insured amounts, by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits.

The City's deposits are categorized to give an indication of the level of custodial credit risk at year-end:

Category 1 – Insured or collateralized with securities held by the City or its agent in the City's name. The City held \$383 in Category 1 deposits at June 30, 2002.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City held \$5,038 Category 2 deposits at June 30, 2002.

Category 3 – Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. The City did not hold any Category 3 deposits at June 30, 2002.

**Investments** – California statutes and the City's investment policy authorize the investment of idle or surplus funds in the following instruments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration loans
- Certificates of deposit
- Negotiable certificates of deposit
- Bankers acceptances
- Commercial paper
- Local Agency Investment Fund (LAIF) demand deposits - State pool
- Repurchase agreements (repos)
- Demand accounts - insured/collateralized
- Money market mutual funds
- Guaranteed investment contracts

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 2. CASH AND INVESTMENTS (Continued)

The City has entered into nonparticipating guaranteed investment contracts, which bear interest ranging from 4.80% to 6.57%. The investment contracts are collateralized 100% to 104% by investments, which are in compliance with the City's investment policy.

Although the City did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the City does have an investment in LAIF in the amount of \$58,409. The total amount invested by all public agencies in LAIF is \$47,719,552, of which 3.086% is invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City's portion in the pool.

The City's investments are categorized to give an indication of the level of custodial credit risk at year-end:

Category 1 – Insured or registered or securities held by the City or its agent in the City's name.

Category 2 – Uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the City's name.

Category 3 – Uninsured and unregistered investments with securities held by the counterparty or by its trust department or agent but not in the City's name.

During the year ended June 30, 2002, the City did not utilize investment types different from those categorized below.

A summary of cash and investments by such categories at June 30, 2002 is as follows:

Investment Type	Category 1	Non Categorized	Fair Value
U.S. Government securities	\$ 195,286	\$ -	\$ 195,286
Commercial paper	4,040	-	4,040
LAIF	-	58,409	58,409
Money market funds	-	39,487	39,487
Guaranteed investment contracts	-	23,560	23,560
	<hr/>	<hr/>	<hr/>
Total investments	<u>\$ 199,326</u>	<u>\$ 121,456</u>	<u>\$ 320,782</u>

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 2. CASH AND INVESTMENTS (Continued)

Summary of GASB Statement No. 3 disclosure carrying amounts:

Deposits	\$ 10,604
Investments	<u>320,782</u>

Total cash and investments	<u>\$ 331,386</u>
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Presented in the government-wide statement of net assets	\$ 321,663
Presented in the statement of fiduciary net assets	<u>9,723</u>

Total cash and investments	<u>\$ 331,386</u>
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***Restricted Cash and Investments*** – Certain proceeds of enterprise fund certificates of participation (COP) and bonds payable are classified as restricted cash and investments on the balance sheet because their use is limited by applicable indentures or covenants. These covenants provide that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinances, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments, not permitted by the City's general investment policy, been authorized. The major part of this restriction is for the construction or acquisition of facilities, but also includes reserves for payment of debt service as required by the bond indentures.

At June 30, 2002, restricted cash and cash equivalents/investments are as follows:

Sanitary Wastewater Utility	\$ 16,829
Central Parking District	<u>218</u>
Total	<u>\$ 17,047</u>

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 3. INTERFUND RECEIVABLES / PAYABLES

Interfund receivables and payables are as follows at June 30, 2002:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Other Governmental	\$ 468
Capital Improvement	Other Governmental	300
Total		<u>\$ 768</u>

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General	Other Governmental	\$ 1,283
Capital Improvement	Public Facilities Impact Fees	5,516
	Other Governmental	6,866
	Other Enterprise	1,924
Other Governmental	Other Governmental	15,552
Total		<u>\$ 31,141</u>

“Due to” and “due from” balances have primarily been recorded when funds overdraw their share of pooled cash or when there are short-term loans between funds.

“Advances to” and “advances from” balances represent loan activity between various funds. The \$1,283 is primarily loans from the General Fund to the Redevelopment Agency for various project areas. The \$5,516 loan from Capital Improvement to Public Facilities Fees is for architectural and construction costs for Police and Fire Stations. The \$6,866 from Capital Improvement to Other Governmental Funds represents loans to the Redevelopment Agency for various project areas. The \$1,924 is for loans from Capital Improvement to the Central Parking District and Swenson Golf Course. Finally, the \$15,552 represents loans in the amount of \$4,686 from the Urban Development Action Grant and \$10,866 from the Community Development Block Grant to the Redevelopment Agency to provide funds for various project areas.



# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 4. TRANSFERS

Transfers for the year ended June 30, 2002 are summarized as follows:

Transfers out:	Transfers In					Total
	General	Capital Improvement	Other Governmental	Other Enterprise	Internal Service	
General	\$ -	\$ 8,348	\$ 8,126	\$ 98	\$ 2,279	\$ 18,851
Public Facilities Impact Fees	-	4	117	-	19	140
Capital Improvement	-	-	200	500	7	707
Other Governmental	3,991	790	10,833	-	336	15,950
Water Utility	-	793	-	-	23	816
Sanitary Wastewater Utility	-	904	-	-	263	1,167
Stormwater Utility	-	323	-	-	7	330
Other Enterprise	660	-	3,222	-	30	3,912
Internal Service	-	649	-	-	2,651	3,300
Total	<u>\$ 4,651</u>	<u>\$ 11,811</u>	<u>\$ 22,498</u>	<u>\$ 598</u>	<u>\$ 5,615</u>	<u>\$ 45,173</u>

During the year various interfund transfers were made to finance expenditures, subsidize operating losses, and service debt. The \$18,851 General Fund transfer out includes transfers of \$8,348 to Capital Improvement for capital improvements including infrastructure improvements (\$4,100) and infrastructure reinvestment (\$2,200), and \$6,219 to the City / County Library. The transfer to the internal service funds includes transfers in the amount of \$2,273 to provide for compensated absences.

The General Fund received transfers in of \$3,991 from the Gas Tax Fund primarily for the reimbursement of qualified street repair and maintenance expenditures. In addition, the General Fund received transfers in of \$660 from the Central Parking District for the payment of debt service on the Stewart Eberhardt Building / Parking Structure.

Transfers between various Other Governmental Funds in the amount of \$10,833 consists of transfers totaling \$6,525 for the purpose of establishing debt service reserves and the principal payment of bond debt. Also, transfers in the amount of \$2,382 were made to the Redevelopment Agency for the West End Project from Community Development Block Grant and Special Grant and Loan Program funds.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 was as follows:

	Balance July 1, 2001	Increases	Decreases	Balance June 30, 2002
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 22,243	\$ -	\$ -	\$ 22,243
Construction in progress	130,503	23,984	(5,050)	149,437
Total capital assets, not being depreciated	<u>152,746</u>	<u>23,984</u>	<u>(5,050)</u>	<u>171,680</u>
Capital assets, being depreciated:				
Infrastructure	170,783	22,702	-	193,485
Buildings and improvements	48,076	1,148	-	49,224
Machinery and equipment	<u>32,589</u>	<u>3,631</u>	<u>(250)</u>	<u>35,970</u>
Total capital assets, being depreciated	<u>251,448</u>	<u>27,481</u>	<u>(250)</u>	<u>278,679</u>
Less accumulated depreciation for:				
Infrastructure	(36,120)	(3,669)	-	(39,789)
Buildings and improvements	(33,434)	(1,318)	-	(34,752)
Machinery and equipment	<u>(20,960)</u>	<u>(2,700)</u>	<u>250</u>	<u>(23,410)</u>
Total accumulated depreciation	<u>(90,514)</u>	<u>(7,687)</u>	<u>250</u>	<u>(97,951)</u>
Total capital assets, being depreciated, net	<u>160,934</u>	<u>19,794</u>	<u>-</u>	<u>180,728</u>
Governmental activities capital assets, net	<u>\$ 313,680</u>	<u>\$ 43,778</u>	<u>\$ (5,050)</u>	<u>\$ 352,408</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,225	\$ 1,064	\$ -	\$ 7,289
Construction in progress	108,728	13,501	(24,304)	97,925
Total capital assets, not being depreciated	<u>114,953</u>	<u>14,565</u>	<u>(24,304)</u>	<u>105,214</u>
Capital assets, being depreciated:				
Buildings and improvements	311,049	32,116	(296)	342,869
Machinery and equipment	<u>7,615</u>	<u>281</u>	<u>-</u>	<u>7,896</u>
Total capital assets, being depreciated	<u>318,664</u>	<u>32,397</u>	<u>(296)</u>	<u>350,765</u>
Less accumulated depreciation for:				
Buildings and improvements	(96,336)	(6,605)	153	(102,788)
Machinery and equipment	<u>(5,161)</u>	<u>(208)</u>	<u>-</u>	<u>(5,369)</u>
Total accumulated depreciation	<u>(101,497)</u>	<u>(6,813)</u>	<u>153</u>	<u>(108,157)</u>
Total capital assets, being depreciated, net	<u>217,167</u>	<u>25,584</u>	<u>(143)</u>	<u>242,608</u>
Business-type activities capital assets, net	<u>\$ 332,120</u>	<u>\$ 40,149</u>	<u>\$ (24,447)</u>	<u>\$ 347,822</u>

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 89
Public safety	328
Public works	3,728
Library	272
Parks & Recreation	644
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>2,626</u>
Total depreciation expense - governmental activities	<u>\$ 7,687</u>
Business-type activities:	
Water Utility	\$ 1,298
Sanitary Wastewater Utility	4,072
Stormwater Utility	1,074
Other business-type	<u>369</u>
Total depreciation expense - business-type activities	<u>\$ 6,813</u>

### 6. LONG-TERM DEBT

#### ***Bonds Payable***

##### Special Assessment Bonds

Governmental activities – 1915 Act Special Assessment Bonds were authorized and issued to finance the improvements of special districts located within the City. There are currently eight bonds authorized and issued with interest rates ranging from 4.1% to 8.1% and final maturity in September 2027. Remaining debt service will be paid from assessments to property owners.

Business-type activities – Central Parking District Special Assessment Bonds were authorized and issued to finance the improvements of Central Parking District. There are currently three bonds authorized and issued with interest rates ranging from 4.0% to 5.5% and final maturity in July 2002. Remaining debt service will be paid from assessments to property owners.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2003	\$ 1,131	\$ 1,342	\$ 210	\$ 5
2004	1,275	1,280	-	-
2005	1,315	1,210	-	-
2006	1,415	1,136	-	-
2007	1,500	1,054	-	-
2008-2012	6,370	4,026	-	-
2013-2017	3,855	2,533	-	-
2018-2022	3,130	1,511	-	-
2023-2027	2,555	586	-	-
2028	540	18	-	-
Total	<u>\$ 23,086</u>	<u>\$ 14,696</u>	<u>\$ 210</u>	<u>\$ 5</u>

#### Mello-Roos Special Tax Bonds

Governmental activities – Community Facilities Districts Special Tax Bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982, to provide funds to: 1) pay costs of the acquisition and construction of new roads, sewer and water facilities to serve property located within the City of Stockton, 2) pay certain public facilities impact fees charged by the City. There are currently seven bonds authorized and issued, five of which have interest rates ranging from 3.0% to 7.75% and two at a variable interest rate, and final maturity in September 1, 2032. The interest rate for the variable-rate bonds is determined on a weekly basis by the Remarketing Agent as stated in the official statement using the California Municipal Market Data (Cal MMD) 7-day non-amortized interest rate not to exceed 12% per annum. Remaining debt service will be paid from assessments to property owners. During the year, the City issued \$27,660 of Mello-Roos special tax bonds to finance the construction and acquisition of certain public improvements within the districts.

Business-type activities – During the year, the City issued \$6,180 of community facilities district special tax bond anticipation notes for the purposes of refunding the City's outstanding Central Parking District Refunding Bonds of 1991 and the Central Parking District Bonds of 1967, Division 4 (see further discussion regarding the refunding near the end of this note).

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for Mello-Roos special tax bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2003	\$ 1,030	\$ 2,689	\$ -	\$ 295
2004	1,400	2,860	6,180	270
2005	1,475	2,780	-	-
2006	1,800	2,687	-	-
2007	1,905	2,580	-	-
2008-2012	11,360	10,965	-	-
2013-2017	11,370	7,003	-	-
2018-2022	3,385	4,914	-	-
2023-2027	12,335	3,354	-	-
2028-2032	6,225	1,516	-	-
2033	1,490	47	-	-
Total	<u>\$ 53,775</u>	<u>\$ 41,395</u>	<u>\$ 6,180</u>	<u>\$ 565</u>

#### Revenue Bonds

Governmental activities – Refunding Revenue Bonds were issued by the SPFA to purchase two series of location obligation refunding bonds and three limited obligation improvement bonds. Additionally, the City issued Mello-Roos Revenue Bonds to purchase special tax bonds and to finance the acquisition and construction of stormwater lines and pumping plants. On August 5, 1999, the SPFA issued assessment Revenue Bonds (West Eighth Street Series 1999) in the amount of \$11,610 to refund two prior issues of limited obligation improvement bonds. There are currently nine bonds authorized and issued with interest rates ranging from 3.48% to 8.1% and final maturity on September 1, 2024. Remaining debt service will be paid from revenues of the SPFA or City consisting primarily of payments received by the Authority and City as payments of assessments on the local obligation or special tax bonds. During the year, the City issued \$3,220 of revenue bonds to finance the construction and acquisition of certain public improvements within the districts.

Business-type activities – During the year, the City issued \$14,280 of revenue bonds to advance refund \$14,930 in certificates of participation (see further discussion regarding the refunding near the end of this note). The interest rates range from 3.9% to 5.5% and the final maturity is October 1, 2022.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2003	\$ 4,445	\$ 6,224	\$ -	\$ 614
2004	4,710	5,990	440	671
2005	5,025	5,735	460	648
2006	5,325	5,461	485	623
2007	5,655	5,165	510	598
2008-2012	34,280	20,454	2,955	2,597
2013-2017	39,035	8,816	3,675	1,889
2018-2022	8,420	1,966	4,665	897
2023-2025	<u>2,520</u>	<u>233</u>	<u>1,090</u>	<u>28</u>
Total	<u>\$ 109,415</u>	<u>\$ 60,044</u>	<u>\$ 14,280</u>	<u>\$ 8,565</u>

### ***Certificates of Participation***

Governmental activities – 1999 Certificates of Participation were authorized and issued to finance a portion of the acquisition and construction of an essential services building and an adjacent public parking facility located within the City. The certificates have interest rates ranging from 4.6% to 6.0% and final maturity on August 1, 2031. The City will lease the essential services building and adjacent parking facility from the SPFA. Lease payments will be used to repay the certificates. Under the lease agreement, the City covenanted to make all rental payments to the SPFA. These rental payments will be used to service the indebtedness when it becomes due and payable. Consistent with NCGA Statement No. 5 and GASB Statement No. 14, capital leases between the primary government and blended component units are eliminated.

Business-type activities – SPFA (lessor) issued Certificates of Participation on August 1, 1993, in the amount of \$16,715, with interest rates ranging from 2.75% -5.75%, the full amount maturing serially through September 1, 2023, in annual principal installments ranging from \$190 to \$1,095.

In addition, the City issued Certificates of Participation on February 1, 1998, in the amount of \$101,650, with interest rates ranging from 4.0% to 5.2%, the full amount maturing serially through September 1, 2029, in annual principal installments ranging from \$1,395 to \$7,325.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

The proceeds of the 1998 issue were used to finance the design and construction of a sewer interceptor and to make improvements and modifications to the southern industrial sewer trunk line, and to defease the 1995 Certificates of Participation issue that was to finance the design, improvements and modifications to the regional wastewater control facilities serving the citizens of the City of Stockton. The defeasance resulted in an unamortized extraordinary loss of \$6,432, which will be amortized over the life of the 1995 Certificates. Interest with respect to the 1998 Certificates of Participation began on the date of issuance. Restrictive covenants include the requirement of a reserve for debt service by providing a reserve policy provided by an outside insurer. The reserve policy is in the amount of the maximum annual debt service on the 1998 and 1993 Certificates. The Certificates will be prepaid from the net revenues of the Sanitary Wastewater Utility Fund.

The balance sheet, Enterprise-Sanitary Wastewater Utility Fund (restricted assets) includes \$16,829 cash with fiscal agent held by a fiscal agent (trustee) in charge of investment of idle funds and disbursements for the improvements and modifications of the project being financed.

Annual debt service requirements to maturity for certificates of participation are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2003	\$ 205	\$ 835	\$ 1,935	\$ 5,583
2004	210	825	2,015	5,501
2005	220	815	2,100	5,414
2006	235	805	2,195	5,322
2007	245	794	2,290	5,225
2008-2012	1,415	3,772	13,190	24,391
2013-2017	1,855	3,336	16,885	20,690
2018-2022	2,480	2,714	21,875	15,701
2023-2027	3,320	1,864	28,325	9,258
2028-2032	4,480	704	20,880	1,666
Total	<u>\$ 14,665</u>	<u>\$ 16,464</u>	<u>\$ 111,690</u>	<u>\$ 98,751</u>

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 6. LONG-TERM DEBT (Continued)

#### *Loans Payable*

The City entered into a loan with the California Department of Boating and Waterways to complete a planning report of the anticipated development of a small craft harbor facility. The loan amount is for a maximum of \$280, of which the City had drawn down \$255 as of June 30, 2002. Accumulated interest calculated at 4.5% per annum totals \$1 through June 30, 2002, and will be recognized as an expenditure when paid. Repayment of the loan is to begin on August 1, 2003, and the term of the agreement is for ten years commencing on September 3, 2001.

The City entered into two loan guarantee agreements with the U.S. Department of Housing and Urban Development to complete redevelopment projects. The loan amounts are for a maximum of \$3,000 and \$10,000 each, of which the City has drawn down \$3,000 and \$5,425, respectively, as of June 30, 2002. Accumulated interest per annum totals \$194 through June 30, 2002, and will be recognized as an expenditure when paid. Repayment of these loans began on January 23, 2001, and the terms of these agreements are for 19 and 13 years, respectively, commencing on January 3, 2001.

Annual debt service requirements to maturity of loans payable are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2003	\$ 430	\$ 464
2004	397	462
2005	425	443
2006	456	421
2007	487	398
2008-2012	2,960	1,543
2013-2017	2,575	616
2018-2020	950	130
Total	<u>\$ 8,680</u>	<u>\$ 4,477</u>

#### *Compensated Absences*

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and unlimited sick leave. A portion of these benefits is paid to the employee upon separation of employment from the City. Both the current and long-term portion of the liability have been recorded.



# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 6. LONG-TERM DEBT (Continued)

#### *Claims and Judgments*

In accordance with GASB 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and GASB No. 30 *Risk Financing Omnibus* liabilities have been accrued representing estimates of amounts to be paid for reported, as well as incurred but not reported claims. The City contracts with independent actuaries to compute the estimated liabilities of the City's self-insurance programs. The estimated liabilities include allocated loss adjustment expenses and exclude unallocated loss adjustment expenses. The effect of specific incremental claim adjustment expenses is included in the allocated loss adjustment expenses and is not specifically identifiable. The effect of salvage and subrogation are minimal. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect the City's settlement rate and anticipated future investment earnings, using a discount rate of 5%. See Notes 11 and 12 for additional disclosures regarding risk management and risk pool, respectively. Based on information from the City Attorney, actuaries, and others involved with self-insurance programs, City management believes that the aggregate accrual is adequate to cover such losses. Self-insurance liabilities are broken down as follows:

	Long-Term	Current	Total
General liability	\$ 2,362	\$ 1,447	\$ 3,809
Workers' compensation	20,639	4,307	24,946
Health insurance	-	2,423	2,423
Total	<u>\$ 23,001</u>	<u>\$ 8,177</u>	<u>\$ 31,178</u>

#### *Advances From Other Governments*

	Water Utility	Stormwater Utility	Total
Federal Drought Relief Act	\$ 986	\$ -	\$ 986
Federal Clean Water Act	-	637	637
Total	986	637	1,623
Less current portion	-	152	152
Long-term portion	<u>\$ 986</u>	<u>\$ 485</u>	<u>\$ 1,471</u>

In August 1977, the City accepted a Federal Drought Relief Act grant of \$1,934 (which was later reduced by \$313) and a loan not to exceed \$1,834 for drought relief projects for the Water Utility Enterprise Fund. As of June 30, 2002, advances totaled \$986. The loan will bear interest at 5% per annum and shall be for a term not to exceed 40 years. There was no interest accruing at June 30, 2002.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

In September 1992, the City accepted a Federal Clean Water Act loan not to exceed \$1,900 for programs to reduce pollutant loading from urban runoff, which will enable the City to comply with the Clean Water Act of 1987 (Stormwater Enterprise Fund). As of June 30, 2002 advances totaled \$637. The loan will bear interest at 3.1% per annum and shall be for a term not to exceed 10 years after completion of the City's three-year program. Accrued interest at June 30, 2002 was \$20.

#### ***Water Extension Agreements***

These agreements represent City water lines installed by property owners and dedicated to the City. Upon connection to the City of Stockton water system, the cost of installation is to be reimbursed to the property owners by the City.

Long-term debt activity for the year ended June 30, 2002, was as follows:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
Special Assessment Debt with Government Commitment (1915 Act Special Assessment Bonds)	\$ 24,006	\$ -	\$ (920)	\$ 23,086	\$ 1,131
Mello-Roos Special Tax Bonds	27,480	27,660	(1,365)	53,775	1,030
Revenue Bonds	111,005	3,220	(4,810)	109,415	4,445
Less deferred amounts:					
For issuance discounts	-	(604)	8	(596)	(23)
Total bonds payable	162,491	30,276	(7,087)	185,680	6,583
Certificates of participation	14,860	-	(195)	14,665	205
Loans payable	6,614	2,066	-	8,680	430
Compensated absences	19,212	649		19,861	8,969
Claims and judgments	26,041	27,135	(21,998)	31,178	8,177
Governmental activities long-term debt	<u>\$ 229,218</u>	<u>\$ 60,126</u>	<u>\$ (29,280)</u>	<u>\$ 260,064</u>	<u>\$ 24,364</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$872 of internal service funds compensated absences and \$31,178 of internal service fund claims and judgments are included in the above amounts. The remaining amounts are related to governmental funds, of which the compensated absences are generally liquidated by the General Fund.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 6. LONG-TERM DEBT (Continued)

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	Due Within One Year
<b>Business-type activities</b>					
Bonds payable:					
Special Assessment Debt with Government Commitment (Central Parking District)	\$ 7,005	\$ -	\$ (6,795)	\$ 210	\$ 210
Mello-Roos Special Tax Bonds	-	6,180	-	6,180	-
Revenue Bonds	-	14,280	-	14,280	-
Less deferred amounts:					
For issuance discounts	-	(299)	3	(296)	(14)
For loss on defeasance	-	(755)	87	(668)	(218)
Total bonds payable	<u>7,005</u>	<u>19,406</u>	<u>(6,705)</u>	<u>19,706</u>	<u>(22)</u>
Certificates of participation	129,235	-	(17,545)	111,690	1,935
Less deferred amounts:					
For issuance discounts	(489)	-	63	(426)	(17)
For loss on defeasance	<u>(6,241)</u>	<u>-</u>	<u>343</u>	<u>(5,898)</u>	<u>(343)</u>
Total certificates of participation	<u>122,505</u>	<u>-</u>	<u>(17,139)</u>	<u>105,366</u>	<u>1,575</u>
Compensated absences	<u>2,510</u>	<u>189</u>	<u>-</u>	<u>2,699</u>	<u>870</u>
Advances from other governments	<u>1,812</u>	<u>-</u>	<u>(189)</u>	<u>1,623</u>	<u>152</u>
Water extension agreements	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Business-type activities long-term debt	<u>\$ 133,843</u>	<u>\$ 19,595</u>	<u>\$ (24,033)</u>	<u>\$ 129,405</u>	<u>\$ 2,586</u>

### ***Advance and Current Refundings***

The City issued \$14,280 of Revenue refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$16,009 of certificates of participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$353. This amount is being netted against the new debt and amortized over the remaining life of the new debt issued, which is shorter than the life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next 20 years by \$3,284 and resulted in an economic gain of \$704.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 6. LONG-TERM DEBT (Continued)

In addition, the City issued \$6,180 of Mello-Roos refunding bonds for a current refunding of \$6,205 of special assessment debt. The refunding was undertaken to remove restrictive bond covenants associated with the special assessment debt and to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$402. This amount is being netted against the new debt and amortized over the remaining life of the new debt issued, which is shorter than the life of the refunded debt. The transaction also resulted in an economic gain of \$712 and a reduction of \$2,338 in future debt service payments.

#### ***Prior Year Defeasance of Debt***

In prior years, the City and the SPFA defeased certain long-term debt by placing the proceeds of new debt in irrevocable trusts to provide for all future debt service payments on the old debt until called. Accordingly, the trust account assets and liabilities for the following defeased debt issues are not included in the City's financial statements. At June 30, 2002, the outstanding balances of the bonds considered defeased were as follows:

City of Stockton Community Facilities District No. 1, Series 307 (Weston Ranch Special Tax Bonds)	\$ 5,455
City of Stockton Community Facilities District No. 1, Series 308 (Weston Ranch Special Tax Bonds)	\$ 3,050

In addition, in prior years, the City defeased certain proprietary fund debt by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt until called. Accordingly, the trust account assets and liabilities for the following defeased debt issues are not included in the City's financial statements. At June 30, 2002, the outstanding balances considered defeased are as follows:

1995 Certificates of Participation - Sanitary Wastewater Utility Fund	\$ 40,185
1993 Certificates of Participation - Water Utility Fund	\$ 15,320

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 7. CONDUIT DEBT OBLIGATIONS

From time-to-time, the City has issued revenue bonds to provide financial assistance to public and private sector entities for the funding of mortgage loans, capital improvements to medical facilities and refinancing of previously existing debt deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying assets. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2002, there were six series of revenue bonds outstanding, with an aggregate principal amount payable of \$117,030.

### 8. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS

Reserves are portions of the fund balance not appropriable for expenditures under the flow of current financial resources measurement focus or those portions of the fund balance/retained earnings legally segregated for specific future use. Designations are portions of the fund balance, which have been identified by management to reflect tentative plans or commitments of governmental resources.

A summary of reported reserves and designations by fund at June 30, 2002 follows:

	Governmental Activities				
	General	Public Facilities Fees	Capital Improvement	Other	Total
Reserves:					
Encumbrances	\$ 1,969	\$ 333	\$ 2,685	\$ 2,159	\$ 7,146
Advances	1,283	406	14,306	51,539	67,534
Debt service	-	-	-	34,854	34,854
Loan commitment	2,277	-	-	-	2,277
Low- and moderate-income housing	-	-	-	1,062	1,062
Endowments	-	-	-	1,383	1,383
Other items	898	399	1,406	1,946	4,649
Total reserves	<u>\$ 6,427</u>	<u>\$ 1,138</u>	<u>\$ 18,397</u>	<u>\$ 92,943</u>	<u>\$ 118,905</u>
Designations:					
Termination pay	\$ 1,690	\$ -	\$ -	\$ 132	\$ 1,822
Uncollectible receivables	1,170	-	-	-	1,170
Infrastructure	2,470	-	-	-	2,470
Economic uncertainties	3,312	-	-	-	3,312
Total designations	<u>\$ 8,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ 8,774</u>

**Encumbrances** – Represent approved purchase orders, contracts, and other commitments not completed at the end of the fiscal year.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 8. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS (Continued)

**Advances to Other Funds** – Council approved loans made for the following purposes:  
1) loan to the Redevelopment Agency for redevelopment of blighted areas; 2) administer the public facilities fees program and to begin the construction of planned infrastructure;  
3) advance for construction of facilities at Buckley Cove Marina.

**Debt Service** – For payment of long-term debt principal, interest and related fiscal charges.

**Loan Commitment** – For loan to new Emergency Medical Transportation Fund to be established July 1, 2002.

**Low- and Moderate-Income Housing** – Set aside for eligible low- and moderate-income family housing.

**Endowments** – Set aside for various endowments, of which the majority has been set aside for the arts.

**Other Items** – To offset miscellaneous assets that do not represent expendable available financial resources.

**Termination Pay** – To cover the employee separation pay and vacation sellback for all General Fund departments and for the City-County Library Fund.

**Uncollectible Receivables** – Set aside for delinquent solid waste receivables that the City expects to receive from the garbage companies during the year ending June 30, 2003.

**Infrastructure** – Set aside for future downtown revitalization activities.

**Economic Uncertainties** – Set aside for unforeseen budgetary requirements of the City.

### 9. DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan. The City makes contributions up to 5.5% of the employees' base salary for select bargaining units. The total contributed during the year was \$8,499. The employee may contribute up to a combined City and employee total of 100% of their gross pay, not to exceed a total of \$11 annually for under age 50 and \$12 for age 50 and over.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 9. DEFERRED COMPENSATION (Continued)

Management of the City has determined that the City does not have fiduciary accountability since amounts accumulated by the City, under the plan, have been invested at the direction of the employees in several investment options. Accordingly, assets and activity related to the plan are excluded from the City's financial statements.

### 10. PENSION PLAN

**Plan Description** - The City contributes to the Safety Plan of the City of Stockton and the Miscellaneous Plan of the City of Stockton (Plans) which are part of the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

All City employees are eligible to participate in PERS. Part-time employees must meet specific criteria for participation. City employees are eligible for retirement at age 50 or older with five years of service credits. Benefits are payable monthly for life in an amount equal to a certain percent of their average salary during their highest year of employment. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' comprehensive annual financial report may be obtained from their executive office of 400 P Street, Sacramento, California, 95814.

**Funding Policy** – Safety Plan participants are required to contribute 9% of their annual covered salary. Miscellaneous Plan participants are required to contribute 7% of their annual covered salary. As part of the city employees' benefit package, the City pays the employees' contribution. The City is required to contribute at an actuarially determined rate. The rate for Safety members was 9.579% of annual covered payroll. There were no required contributions for Miscellaneous members. The contribution requirements of the Plans' members and the City are established and may be amended by PERS.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 10. PENSION PLAN (Continued)

**Annual Pension Cost** - For the year ended June 30, 2002, the City's annual pension cost of \$3,940 for the Safety Plan and \$0 for the Miscellaneous Plan were equal to the City's required contributions. The required contributions were determined as part of the June 30, 1999 actuarial valuations using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary depending on age, service, and type of employment from 3.75% to 14.20%; (c) inflation of 3.50%; and (d) payroll growth of 3.75%. The actuarial value of the Plans' assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. The Plans' initial unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of June 30, 2001 was 22 years for the Safety Plan and 15 years for the Miscellaneous Plan.

#### SAFETY PLAN

##### Three-Year Trend Information for (Dollar Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/02	\$ 3,940	100 %	\$ -
6/30/01	4,312	82	761
6/30/00	4,513	100	-

#### MISCELLANEOUS PLAN

##### Three-Year Trend Information for (Dollar Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/02	\$ -	100 %	\$ -
6/30/01	-	100	-
6/30/00	1,167	100	-



# **CITY OF STOCKTON**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)**

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### **11. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established three internal service funds to account for its uninsured risk of loss that relate to general liability, workers' compensation, and health benefits. These funds provide coverage up to a maximum of \$1,000 for each general liability claim, \$250 for each worker's compensation claim and \$190 for each medical plan member under the health benefits program. The City purchases commercial insurance for claims in excess of the coverage provided by the fund and for all other risks of loss for worker's compensation and health benefit claims. The City joined together with other cities in 1987 to form the California Joint Powers Risk Management Authority (CJPRMA), a public entity risk pool currently operating as a risk management and insurance program for 18 member entities, which represents 74 cities and special districts. The City pays an annual premium to CJPRMA for its general liability excess insurance coverage for claims over the City's \$1,000 self-insured retention level.

The workers' compensation and health benefits programs are administered by third-party administrators who are experts in their respective fields. The general liability is self-administered by the City of Stockton.

At June 30, 2002, \$3,809, \$24,946, and \$2,423 have been accrued for general liability, workers' compensation, and health benefits insurance, respectively. All funds of the City participate in the program and make payments to the respective internal service funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The City contracts with independent actuaries to compute the estimated liabilities of the City's self-insurance programs. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect anticipated future investment earnings, assuming a five percent interest rate.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 11. RISK MANAGEMENT (Continued)

The claims liabilities above, reported in the respective internal service funds at June 30, 2002, are based on requirements of GASB 10 and GASB 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 2002 are dependent on future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses. There have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded commercial or CJPRMA insurance coverage each of the past three years.

Reconciliation of the changes in the City's aggregate liabilities for the current and prior fiscal year:

	Liability	Workers' Compensation	Health	Total
Balance, June 30, 2000	\$ 2,766	\$ 16,999	\$ 1,706	\$ 21,471
Claims provision	2,733	6,656	12,907	22,296
Claims paid	<u>(387)</u>	<u>(4,658)</u>	<u>(12,681)</u>	<u>(17,726)</u>
Balance, June 30, 2001	5,112	18,997	1,932	26,041
Claims provision	199	11,013	15,923	27,135
Claims paid	<u>(1,502)</u>	<u>(5,064)</u>	<u>(15,432)</u>	<u>(21,998)</u>
Balance, June 30, 2002	<u>\$ 3,809</u>	<u>\$ 24,946</u>	<u>\$ 2,423</u>	<u>\$ 31,178</u>

### 12. RISK POOL

The City is a member of the California Joint Powers Risk Management Authority, a risk pool, described as follows:

**Description of Joint Powers Authority** - The Authority is comprised of 18 California member entities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses.

The Authority is dedicated to maintaining a commitment to excellence in the protection of its member entities from catastrophic liability and other financial losses through a stable, high quality, comprehensive, cost effective, long-term risk management program.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 12. RISK POOL (Continued)

#### *Self-Insurance Programs of the Authority*

*General Liability Insurance* - Annual deposits are paid by member entities and are adjusted retrospectively to cover costs. Members can participate with self-funded retention levels of either \$500 or \$1,000. The City's self-funded retention is currently set at \$1,000. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, errors and omissions and certain other coverage. Separate deposits are collected from the member cities to cover claims between \$1,000 and \$24,000. These deposits are subject to retrospective adjustments.

*Property Protection* - The City of Stockton participates in the All Risks Property Protection Program, which is primarily underwritten by a casualty insurance company. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments.

### 13. POST-RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits through the Public Employees' Retirement System, the City provides certain health care benefits for retired employees under contractual obligations negotiated between the City and various employee bargaining units. All City management and public safety employees who receive a PERS retirement allowance upon separation are eligible for coverage under the Retiree Medical Plan at age 50. Some employees retired for disability may qualify at a younger age. Other miscellaneous employees receive a PERS retirement allowance with 15 or more years of service at age 50 or 55. Full medical benefits are continued until age 65, but with a maximum of 15 years. Such coverage includes the retiree and one dependent. At age 65, eligible retirees are covered under a Medicare Supplemental Plan, which pays secondary to Medicare. This is a lifetime benefit provided to the retired employee and his or her eligible spouse. Currently, 465 retirees meet these eligibility requirements and participate in the Plan.

The City's contributions are financed on a pay-as-you-go basis. During the year, expenditures of approximately \$4,763 were recognized for post-employment health care.

Most retirees do not contribute to the plan. Retirees who exhaust their City-paid benefit before reaching age 65 can purchase coverage until they reach age 65. Those that qualify for City paid benefits may purchase coverage for additional dependents not covered by the City's contribution to the Plan. During the year, retirees who contributed paid \$102 toward their own coverage or to cover their dependents.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 14. CONTINGENT LIABILITIES

**General Liability** - There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney and City management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The City is self-insured and participates in a Public Entity Risk Pool. Details of this are covered in Notes 11 and 12.

**Construction Commitments** - The City is undertaking a number of capital improvement projects, the most significant of which include the following at June 30, 2002:

• Street improvements	\$ 6,230
• Regional Wastewater Control Facility	3,458
• Wastewater utility	2,324
• Traffic signals	1,617
• Parking structure & Essential Services Building	1,455
• Oak/McKinley pool reconstruction	1,055
• Training facility – Fire Company 2	1,027
• Waterfront improvements	522
• Water utility	346
• Fox Theater renovation	256

### 15. DEFICIT FUND BALANCE AND UNFUNDED LIABILITIES

- The Redevelopment Agency Capital Projects Fund had a deficit fund balance of \$23,987 at June 30, 2002 primarily as a result of reporting advances from other funds within the fund as opposed to being considered general long-term debt as it has been in the past. It is the intent of the City's Redevelopment Agency to fund this deficit from future tax increments and other revenues.
- The City budgets revenues and projects expenses in the General Liability Insurance Fund (internal service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the General Liability Insurance Fund has a long-term liability of \$2,362 and a deficit in net assets of \$1,617. The cash balance of the fund at June 30, 2002 is \$2,127. The City will fund the deficit over time by adjusting the rates paid by city funds.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 15. DEFICIT FUND BALANCE AND UNFUNDED LIABILITIES (Continued)

- The City budgets revenues and projects expenses in the Workers' Compensation Insurance Fund (internal service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the Workers' Compensation Insurance Fund has a long-term liability of \$20,639 and a deficit in net assets of \$18,958. The cash balance of the fund at June 30, 2002 is \$5,994. The City will fund the deficit over time by adjusting the rates paid by city funds.
- The City budgets revenues and projects expenses in the Health Benefits Fund (internal service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the Workers' Compensation Insurance Fund has a current liability for claims of \$2,423 and a deficit in net assets of \$1,652. The cash balance of the fund at June 30, 2002 is \$874. The City will fund the deficit over time by adjusting the rates paid by city funds.

### 16. OPERATING LEASES

Operating lease obligations are primarily for rental of parking facilities space. The future minimum lease payments required for those operating leases are as follows:

June 30,	Amount
2003	\$ 135
2004	102
2005	89
2006	94
2007	98
2008-2012	564
2013-2017	<u>556</u>
Total	<u>\$ 1,638</u>

### 17. RESTATEMENT OF BEGINNING FUND EQUITY

Governmental funds' beginning fund balances have been restated as follows:

#### **Cumulative effect of a change in accounting principle:**

1. The City reclassified some of its agency funds that did not meet the definition under GASB Statement No. 34.
2. Under GASB Statement No. 34, governments are required to report interfund advances in the fund financial statements. In the previous year, the City reported \$35,195 in advances from other funds in its general long-term debt account group that are now presented in the fund financial statements.

# CITY OF STOCKTON

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

### 17. RESTATEMENT OF BEGINNING FUND EQUITY (Continued)

#### Prior period adjustments:

1. The City's Redevelopment Agency omitted property held for resale from its balance sheet in the previous year in the amount of \$245.
2. In previous years, the City has recorded in its Public Facilities Impact Fees Fund deferred notes receivable as revenue even though they may not be available.

	General	Public Facilities Impact Fees	Capital Improvement	Other Governmental	Total
Fund balances, beginning of year, as originally reported	\$ 22,790	\$ 54,289	\$ 36,303	\$ 115,364	\$ 228,746
Fund equity, beginning of year, as originally reported	-	-	-	1,549	1,549
Cumulative effect of a change in accounting principle:					
Reclass of funds	13	-	-	(13)	-
Advances from other funds	-	(11,505)	-	(23,690)	(35,195)
Prior period adjustments:					
Property held for resale	-	-	-	245	245
Deferred notes receivable	-	(951)	-	-	(951)
Fund balances, beginning of year, restated	<u>\$ 22,803</u>	<u>\$ 41,833</u>	<u>\$ 36,303</u>	<u>\$ 93,455</u>	<u>\$ 194,394</u>

Proprietary funds' beginning equity has been restated as follows:

**Cumulative effect of a change in accounting principle** – During the process of implementing GASB Statement No. 34, the City increased its capitalization threshold for capital assets to \$5,000. As a result, \$4,717 in capital assets, which fell below this new threshold, were deleted from the City's capital assets inventory as follows:

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Other Enterprise	Total Enterprise	Internal Service
Fund equity, beginning of year, as originally reported	\$ 62,256	\$ 200,836	\$ 40,536	\$ 12,158	\$ 315,786	\$ 10,029
Cumulative effect of a change in accounting principle:						
Increased capitalization threshold	(420)	(191)	(245)	(51)	(907)	(3,810)
Net assets, beginning of year, restated	<u>\$ 61,836</u>	<u>\$ 200,645</u>	<u>\$ 40,291</u>	<u>\$ 12,107</u>	<u>\$ 314,879</u>	<u>\$ 6,219</u>

# **CITY OF STOCKTON**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)**

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### **18. SUBSEQUENT EVENTS**

On July 3, 2002, the City authorized and issued \$4,045 of Limited Obligation Improvement Bonds for the Morada North Assessment District No. 2002-01. The new bonds are being issued to finance the construction and acquisition of certain public facilities of benefit to Morada North Assessment District. The bonds are issued pursuant to the provisions of the Improvement Act of 1915, consisting of Division 10 of the Streets and Highways Code of the State of California. The interest rates range from 4.0% to 6.25% and the bonds will mature on September 2, 2027.

On July 30, 2002, the City authorized and issued \$6,300 of Community Facilities District No. 90-2 (Brookside Estates) Refunding Special Tax Bonds, Series 2002-006. The new bonds are being issued for the purpose of refunding the City's outstanding Community Facilities District No. 90-2 (Brookside Estates) Refunding Special Tax Bonds Series 006, dated June 1, 1990. The bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code. The interest rates range from 2.7% to 5.25% and the bonds will mature on August 1, 2015.

# CITY OF STOCKTON

## SCHEDULES OF DEFINED BENEFIT PENSION PLANS FUNDED STATUS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### MISCELLANEOUS PLAN

Valuation Date	Entry Age Normal Accrued Liability (1)	Actuarial Value of Assets (2)	Unfunded Liability (Excess Assets) (1)-(2)	Funded Status (2)/(1)	Annual Covered Payroll (3)	UAAL As a Percentage of Payroll [(1)-(2)]/(3)
6/30/01	\$ 282,136	\$ 324,340	\$ (42,204)	115.0%	\$ 50,843	-83.008%
6/30/00	259,997	316,601	(56,604)	121.8%	46,734	-121.120%
6/30/99	212,062	277,787	(65,725)	131.0%	42,209	-155.713%

### SAFETY PLAN

Valuation Date	Entry Age Normal Accrued Liability (1)	Actuarial Value of Assets (2)	Unfunded Liability (Excess Assets) (1)-(2)	Funded Status (2)/(1)	Annual Covered Payroll (3)	UAAL As a Percentage of Payroll [(1)-(2)]/(3)
6/30/01	\$ 401,016	\$ 402,288	\$ (1,272)	100.3%	\$ 37,359	-3.405%
6/30/00	378,035	392,448	(14,413)	103.8%	36,567	-39.415%
6/30/99	337,597	359,288	(21,691)	106.4%	35,870	-60.471%

The notes to the required supplementary information are an integral part of this schedule.



# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 17,930	\$ 17,930	\$ 18,992	\$ 1,062
Utility	29,120	29,120	31,462	2,342
Sales and use	34,140	34,140	32,489	(1,651)
Other	14,294	14,294	14,959	665
Licenses and permits	3,310	3,310	5,493	2,183
Federal grants and subsidies	37	218	121	(97)
Other governmental	15,700	15,700	16,006	306
Charges for services	13,012	14,907	17,103	2,196
Fines and forfeitures	1,021	1,021	1,549	528
Use of money and property	731	731	601	(130)
Investment income:				
Interest income	1,220	1,220	1,295	75
Net decrease in fair value of investments	-	-	166	166
Refunds and reimbursements	710	710	2,309	1,599
Miscellaneous	6,417	6,367	5,432	(935)
Total revenues	137,642	139,668	147,977	8,309
EXPENDITURES:				
Current:				
General government:				
City council	528	528	484	44
City manager	2,182	2,380	2,350	30
City attorney	1,006	1,056	1,056	-
City clerk	935	972	972	-
City auditor	420	421	421	-
Administrative services	4,867	5,627	5,597	30
Personnel	1,702	1,853	1,853	-
Housing and redevelopment	110	110	108	2
Community development	2,195	2,313	2,250	63
Non-departmental	1,125	923	899	24
Total general government	15,070	16,183	15,990	193
Public safety:				
Police	61,849	59,945	59,945	-
Fire	32,523	35,321	35,309	12
Housing and redevelopment	2,468	2,425	2,415	10
Community development	2,780	3,365	3,357	8
Total public safety	99,620	101,056	101,026	30

The note to the required supplementary information is an integral part of this schedule.

(Continued)

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS GENERAL FUND (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works:				
Administrative services	2,693	2,518	2,515	3
Public works	10,829	11,411	11,332	79
Total public works	13,522	13,929	13,847	82
Parks and recreation	11,508	12,575	12,575	-
Capital outlay	6	43	42	1
Total expenditures	139,726	143,786	143,480	306
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(2,084)	(4,118)	4,497	8,615
OTHER FINANCING SOURCES (USES):				
Transfers in	4,353	5,236	4,651	(585)
Transfers out	(10,818)	(17,107)	(16,578)	529
Total other financing sources (uses)	(6,465)	(11,871)	(11,927)	(56)
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(8,549)	(15,989)	(7,430)	8,559
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(2,273)	(2,273)
Encumbrances	-	-	1,969	1,969
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(8,549)	(15,989)	(7,734)	8,255
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	22,790	22,790	22,803	13
FUND BALANCE, END OF YEAR	\$ 14,241	\$ 6,801	\$ 15,069	\$ 8,268

The note to the required supplementary information is an integral part of this schedule.

# CITY OF STOCKTON

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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### 1. DEFINED BENEFIT PENSION PLANS

The schedules of defined benefit pension plan funded status display a historical summary of the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Actuarial Accrued Liability ("UAAL") or Excess Assets, the Funded Ratio, the estimated annual covered payroll and the UAAL as a percentage of covered payroll for each of the City's defined benefit pension plans.

### 2. BUDGET

#### Budgetary Process

- In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. The General Fund, certain special revenue funds (Solid Waste and Recycling, Gas Tax, Measure K Sales Tax, City-County Library, Special Assessments, Other Special Revenue) and certain capital projects funds (Public Facilities Impact Fees and Capital Improvement) have legally adopted annual budgets. Prior to July 1, the original adopted budget is legally enacted through the passage of a resolution by the City Council. In the event this does not occur, the manager's budget is in force until a budget is adopted by the City Council. The level of legal budgetary control by the City Council is established at the department level.
- Enterprise and internal service funds are accounted for on a cost of service (net income) or capital maintenance measurement focus. The City is not legally mandated to report the results of operations for these fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.
- If expenditures exceed appropriations, the City Manager is authorized to transfer budgeted amounts between line items within any department in the General Fund, and within any function in the special revenue and capital projects funds, however, any revisions that alter the total appropriations of any department or function, respectively, must be approved by the City Council. Supplemental appropriations are made during the year and are considered immaterial. Budgeted amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – On a Budgetary Basis include amendments for these supplemental appropriations.

## CITY OF STOCKTON

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

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#### 2. BUDGET (Continued)

- Formal budgetary integration is employed as a management control device during the year for the General Fund and certain special revenue and capital projects funds. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions.
- All unencumbered appropriations lapse at year-end, with the exception of some capital improvement projects and miscellaneous grants in the respective funds. Encumbered appropriations are re-appropriated in the following year's budget.

#### Budgetary Basis of Accounting

The City adopts budgets each fiscal year on a basis of accounting, which is different from accounting principles generally accepted in the United States of America (GAAP).

The statements of revenues, expenditures and changes in fund balances have been prepared on the modified accrual basis of accounting in accordance with GAAP. The schedules of revenues, expenditures and changes in fund balances – budget and actual – on a budgetary basis have been prepared on the budgetary basis, which is different from GAAP.

The variations from GAAP are that for budgetary purposes:

- Outstanding commitments relating to construction contracts and other purchases of goods and services are recorded as expenditures at the time contracts or purchase agreements are entered into. Under GAAP, these obligations are recognized when goods are received or services are rendered.
- Unbudgeted transfers to the internal service fund for termination payments are not recognized in the employee's home fund. Under GAAP, these transfers are reported on the various governmental fund statements of revenues, expenditures and changes in fund balances.

Certain funds of the City contain capital projects, grant projects, loan programs or other programs that are budgeted on a multi-year or project length basis. The amounts of the projects and programs budgeted on a multi-year basis are significant compared to the items budgeted on an annual basis; therefore, a comparison of budget to actual for the fund would not be meaningful. As a result, such funds are excluded from budgetary reporting.

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# ***NONMAJOR GOVERNMENTAL FUNDS***

Nonmajor Governmental Funds include:

- Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes, other than those for major capital projects;
- Debt Service Funds account for the accumulation of resources for the repayment of principal and interest on general long-term debt;
- Capital Projects Funds account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds;
- The Permanent Fund reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **Special Grants**

To account for miscellaneous, comparatively smaller grants, from federal and state governments, not otherwise established as a stand-alone special revenue fund.

#### **Solid Waste and Recycling**

To account for the administration of solid waste collection services, and planning and implementing solid waste reduction and recycling programs.

#### **Gas Tax**

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107 and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street-related. This fund includes Intermodal Surface Transportation Efficiency Act and SB325 Non-Transit revenues and Traffic Congestion Relief.

#### **Measure K Sales Tax**

To account for revenues and expenditures apportioned to the City for sales tax collections under Measure K. Expenditures for administration, maintenance and construction must be for street-related projects.

#### **Cooperative Library**

To account for federal and state grants to encourage the development, improvement, and expansion of the library system within the State of California. Parties to the agreement are neighboring cities, counties and other agencies.

#### **City-County Library**

To account for the public library system for the City of Stockton and San Joaquin County branch libraries. The libraries are funded in cooperation with San Joaquin County, which provides approximately 50% of the funding.

#### **Special Assessments**

To account for revenues and expenditures related to levies on property owners for special types of services - basic lighting, landscape, and stormwater drainage maintenance services.

#### **Redevelopment Agency Loan**

To account for loans extended to eligible, low and moderate income families.

#### **Urban Development Action Grant**

To account for federal grant and other resources, the purpose of which is to revitalize activities in the designated Urban Development Action Grant area.

## **SPECIAL REVENUE FUNDS (Continued)**

### **Community Development Block Grant**

To account for the annual federal grant that provides for development of viable urban community by providing a suitable living environment and expansion of economic opportunities, principally for low and moderate income residents.

### **Community Development Loan**

To account for the City's Community Rehabilitation Loan program that provides adequate housing and suitable living environments for low and moderate income residents.

### **Special Grant and Loan Programs**

To account for the City's Economic Development grant and loan programs that provide economic development in the downtown Stockton area.

### **Home Program**

To account for the City's Home Program that provides adequate and affordable housing for low and very low income residents.

### **Other Special Revenue**

To account for comparatively smaller special revenue funds including Asset Seizure and Boat Launching Facilities.

## **DEBT SERVICE FUNDS**

### **Mello-Roos Districts**

To account for the accumulation of resources for, and the retirement of principal and interest on general long-term debt for Mello-Roos District bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982.

### **1915 Act Assessment Districts**

The fund established to account for the accumulation of resources for, and the retirement of, principal and interest on general long-term debt for 1915 Act Assessment District bonds.

### **Stockton Public Financing Authority**

To account for the refunding of existing debt in various districts. Financing is provided by property owners through issuance of reassessment revenue bonds as provided in Mark-Roos Local Bond Pooling Act of 1985.



## **CAPITAL PROJECTS FUNDS**

### **Redevelopment Agency**

To account for the acquisition, relocation, demolition, and sale of land for those portions of the City earmarked for redevelopment. Projects are financed from proceeds of bonds sold and loans from other city funds and eventually from property tax increment revenue.

### **Mello-Roos Districts**

To account for the acquisition and construction of facilities in various Mello-Roos districts. Financing is provided by property owners through the issuance of special tax bonds as provided for in the 1982 Mello-Roos Community Facilities Act.

### **1915 Act Assessment Districts**

To account for the acquisition and construction of facilities in various districts. Improvement districts are financed by property owners through the issuance of special assessment bonds as provided in the Municipal Improvement Act of 1915.

### **Stockton Public Financing Authority**

To account for the refunding of existing debt in various districts. Financing is provided by property owners through issuance of reassessment revenue bonds as provided in Mark-Roos Local Bond Pooling Act of 1985.

## **PERMANENT FUNDS**

To account for assets that require the principal to remain intact, but allow earnings to be spent on designated arts, recreation, and library programs.

# CITY OF STOCKTON

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2002

(Dollar amounts in thousands)

	Special Grants	Solid Waste & Recycling	Gas Tax
<b>ASSETS</b>			
Cash and cash equivalents	\$ 216	\$ 1,928	\$ 791
Cash and cash equivalents with fiscal agents	-	-	-
Receivables:			
Interest	7	21	14
Taxes and special assessments	-	-	-
Accounts and other receivables	4	56	-
Due from other governments	945	-	1,991
Deposits	-	-	-
Advances to other funds	-	-	-
Advances to property owners	-	-	-
Property held for resale	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,172</u>	<u>\$ 2,005</u>	<u>\$ 2,796</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 167	\$ 113	\$ 484
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits and other liabilities	-	-	-
Deferred revenue	600	-	73
Advances from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>767</u>	<u>113</u>	<u>557</u>
<b>FUND BALANCES (deficit):</b>			
Reserved for:			
Encumbrances	193	73	-
Advances	-	-	-
Debt service	-	-	-
Low- and moderate-income housing	-	-	-
Endowments	-	-	-
Other items	-	-	19
Unreserved:			
Designated for termination pay	-	-	-
Undesignated	212	1,819	2,220
	<u>212</u>	<u>1,819</u>	<u>2,220</u>
Total fund balances (deficit)	<u>405</u>	<u>1,892</u>	<u>2,239</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,172</u>	<u>\$ 2,005</u>	<u>\$ 2,796</u>

Special Revenue						
Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments	Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant
\$ 2,296	\$ 11	\$ 2,461	\$ 1,972	\$ 702	\$ -	\$ -
-	-	-	-	-	-	-
46	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	17	-	1	-	-
8,901	-	-	-	-	-	14
-	-	-	-	-	-	-
-	-	-	-	-	4,686	10,280
-	-	-	-	4,630	-	-
-	-	-	-	-	-	108
<u>\$ 11,243</u>	<u>\$ 11</u>	<u>\$ 2,478</u>	<u>\$ 1,972</u>	<u>\$ 5,333</u>	<u>\$ 4,686</u>	<u>\$ 10,402</u>
\$ 1,184	\$ -	\$ 219	\$ 23	\$ -	\$ -	\$ 86
-	-	-	-	-	-	26
-	-	124	-	-	-	-
-	-	-	-	285	-	9
2,098	11	-	-	-	-	51
-	-	-	-	-	-	-
<u>3,282</u>	<u>11</u>	<u>343</u>	<u>23</u>	<u>285</u>	<u>-</u>	<u>172</u>
637	-	207	83	-	-	401
-	-	-	-	4,630	4,686	10,280
-	-	-	-	-	-	-
-	-	-	-	418	-	-
-	-	-	-	-	-	-
60	-	-	184	-	-	130
-	-	132	-	-	-	-
<u>7,264</u>	<u>-</u>	<u>1,796</u>	<u>1,682</u>	<u>-</u>	<u>-</u>	<u>(581)</u>
<u>7,961</u>	<u>-</u>	<u>2,135</u>	<u>1,949</u>	<u>5,048</u>	<u>4,686</u>	<u>10,230</u>
<u>\$ 11,243</u>	<u>\$ 11</u>	<u>\$ 2,478</u>	<u>\$ 1,972</u>	<u>\$ 5,333</u>	<u>\$ 4,686</u>	<u>\$ 10,402</u>

(Continued)

# CITY OF STOCKTON

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2002

(Dollar amounts in thousands)

		Special Revenue	
	Community Development Loan	Special Grant and Loan Programs	Home Program
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,565	\$ 268	\$ 399
Cash and cash equivalents with fiscal agents	-	-	-
Receivables:			
Interest	37	2	2
Taxes and special assessments	-	-	-
Accounts and other receivables	35	-	7
Due from other governments	-	-	152
Deposits	-	-	-
Advances to other funds	586	-	-
Advances to property owners	17,499	-	13,443
Property held for resale	-	-	-
Total assets	<u>\$ 21,722</u>	<u>\$ 270</u>	<u>\$ 14,003</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 12	\$ -	\$ 50
Due to other funds	-	-	-
Due to other governments	175	-	-
Deposits and other liabilities	591	-	765
Deferred revenue	-	-	-
Advances from other funds	-	-	-
Total liabilities	<u>778</u>	<u>-</u>	<u>815</u>
<b>FUND BALANCES (deficit):</b>			
Reserved for:			
Encumbrances	-	-	-
Advances	18,085	-	13,443
Debt service	-	-	-
Low- and moderate-income housing	-	-	-
Endowments	-	-	-
Other items	89	60	-
Unreserved:			
Designated for termination pay	-	-	-
Undesignated	2,770	210	(255)
Total fund balances (deficit)	<u>20,944</u>	<u>270</u>	<u>13,188</u>
Total liabilities and fund balances (deficit)	<u>\$ 21,722</u>	<u>\$ 270</u>	<u>\$ 14,003</u>

Other Special Revenue	Debt Service			Capital Projects		
	Mello- Roos Districts	1915 Act Assessment Districts	Stockton Public Financing Authority	Redevelopment Agency	Mello-Roos Districts	1915 Act Assessment Districts
\$ 1,932	\$ 11,387	\$ 8,977	\$ 1,814	\$ -	\$ 22,557	\$ 5,648
-	7,101	2,555	2,810	-	10,602	13
10	91	78	15	21	45	57
-	255	423	-	-	-	-
-	206	1	-	5	-	-
218	-	-	-	245	-	-
-	-	-	-	38	-	-
-	-	-	-	-	-	-
415	-	-	-	-	-	-
-	-	-	-	245	-	-
<u>\$ 2,575</u>	<u>\$ 19,040</u>	<u>\$ 12,034</u>	<u>\$ 4,639</u>	<u>\$ 554</u>	<u>\$ 33,204</u>	<u>\$ 5,718</u>
\$ 82	\$ 34	\$ 26	\$ 1	\$ 210	\$ 655	\$ -
70	-	-	-	672	-	-
-	7	53	-	-	-	-
357	-	3	-	29	-	-
357	255	423	-	-	-	-
71	-	-	-	23,630	-	-
<u>937</u>	<u>296</u>	<u>505</u>	<u>1</u>	<u>24,541</u>	<u>655</u>	<u>-</u>
11	10	2	-	515	24	-
415	-	-	-	-	-	-
-	18,679	11,549	4,626	-	-	-
-	-	-	-	644	-	-
-	-	-	-	-	-	-
306	55	-	12	864	24	96
-	-	-	-	-	-	-
906	-	(22)	-	(26,010)	32,501	5,622
<u>1,638</u>	<u>18,744</u>	<u>11,529</u>	<u>4,638</u>	<u>(23,987)</u>	<u>32,549</u>	<u>5,718</u>
<u>\$ 2,575</u>	<u>\$ 19,040</u>	<u>\$ 12,034</u>	<u>\$ 4,639</u>	<u>\$ 554</u>	<u>\$ 33,204</u>	<u>\$ 5,718</u>

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# CITY OF STOCKTON

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2002

(Dollar amounts in thousands)

	Capital Projects Stockton Public Financing Authority	Permanent Miscellaneous	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10	\$ 1,676	\$ 68,610
Cash and cash equivalents with fiscal agents	293	-	23,374
Receivables:			
Interest	-	15	461
Taxes and special assessments	-	-	678
Accounts and other receivables	-	-	332
Due from other governments	-	-	12,466
Deposits	-	-	38
Advances to other funds	-	-	15,552
Advances to property owners	-	-	35,987
Property held for resale	-	-	353
Total assets	<u>\$ 303</u>	<u>\$ 1,691</u>	<u>\$ 157,851</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 2	\$ -	\$ 3,348
Due to other funds	-	-	768
Due to other governments	-	-	359
Deposits and other liabilities	-	-	2,039
Deferred revenue	-	-	3,868
Advances from other funds	-	-	23,701
Total liabilities	<u>2</u>	<u>-</u>	<u>34,083</u>
<b>FUND BALANCES (deficit):</b>			
Reserved for:			
Encumbrances	-	3	2,159
Advances	-	-	51,539
Debt service	-	-	34,854
Low- and moderate-income housing	-	-	1,062
Endowments	-	1,383	1,383
Other items	-	47	1,946
Unreserved:			
Designated for termination pay	-	-	132
Undesignated	301	258	30,693
Total fund balances (deficit)	<u>301</u>	<u>1,691</u>	<u>123,768</u>
Total liabilities and fund balances (deficit)	<u>\$ 303</u>	<u>\$ 1,691</u>	<u>\$ 157,851</u>

# CITY OF STOCKTON

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Special Grants	Solid Waste & Recycling	Gas Tax
REVENUES:			
Taxes:			
Property	\$ -	\$ -	\$ -
Sales and use	-	-	-
Other	-	-	188
Federal grants and subsidies	1,207	-	1,392
Other governmental	2,183	-	4,832
Charges for services	-	50	-
Use of money and property	-	-	-
Investment income:			
Interest income	114	110	131
Net increase (decrease) in fair value of investments	5	3	14
Refunds and reimbursements	6	420	3
Miscellaneous	-	-	-
Total revenues	<u>3,515</u>	<u>583</u>	<u>6,560</u>
EXPENDITURES:			
Current:			
General government	183	-	-
Public safety	1,642	-	-
Public works	44	1,123	-
Library	104	-	-
Parks and recreation	864	-	-
Capital outlay	125	-	3,380
Debt service:			
Principal retirement	-	-	-
Cost of issuance	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,962</u>	<u>1,123</u>	<u>3,380</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>553</u>	<u>(540)</u>	<u>3,180</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	74	3,222	-
Transfers out	(261)	(790)	(3,991)
Proceeds of long-term debt	-	-	-
Discounts	-	-	-
Total other financing sources (uses)	<u>(187)</u>	<u>2,432</u>	<u>(3,991)</u>
NET CHANGE IN FUND BALANCES	366	1,892	(811)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>39</u>	<u>-</u>	<u>3,050</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 405</u>	<u>\$ 1,892</u>	<u>\$ 2,239</u>



Special Revenue						
Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments	Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,323	-	-	-	-	-	-
-	-	-	83	-	-	-
-	-	-	-	-	-	4,321
8,177	148	4,098	-	-	-	-
-	177	177	1,036	-	-	-
-	-	-	-	-	-	-
203	-	-	-	-	-	-
19	-	-	-	-	-	(3)
1	-	33	4	-	-	-
-	-	5	4	-	-	-
<u>11,723</u>	<u>325</u>	<u>4,313</u>	<u>1,127</u>	<u>-</u>	<u>-</u>	<u>4,318</u>
-	-	-	75	37	-	-
-	-	-	-	-	-	-
-	-	-	692	-	-	-
-	325	9,752	-	-	-	-
-	-	-	-	-	-	-
10,646	-	263	-	-	-	3,464
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	391
<u>10,646</u>	<u>325</u>	<u>10,015</u>	<u>767</u>	<u>37</u>	<u>-</u>	<u>3,855</u>
<u>1,077</u>	<u>-</u>	<u>(5,702)</u>	<u>360</u>	<u>(37)</u>	<u>-</u>	<u>463</u>
-	-	6,219	-	104	-	725
(1)	-	(17)	-	-	-	(766)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1)</u>	<u>-</u>	<u>6,202</u>	<u>-</u>	<u>104</u>	<u>-</u>	<u>(41)</u>
1,076	-	500	360	67	-	422
<u>6,885</u>	<u>-</u>	<u>1,635</u>	<u>1,589</u>	<u>4,981</u>	<u>4,686</u>	<u>9,808</u>
<u>\$ 7,961</u>	<u>\$ -</u>	<u>\$ 2,135</u>	<u>\$ 1,949</u>	<u>\$ 5,048</u>	<u>\$ 4,686</u>	<u>\$ 10,230</u>

(Continued)

# CITY OF STOCKTON

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Special Revenue		
	Community Development Loan	Special Grant and Loan Programs	Home Program
REVENUES:			
Taxes:			
Property	\$ -	\$ -	\$ -
Sales and use	-	-	-
Other	-	-	-
Federal grants and subsidies	-	-	1,894
Other governmental	-	-	-
Charges for services	-	-	-
Use of money and property	159	-	71
Investment income:			
Interest income	(666)	-	21
Net increase (decrease) in fair value of investments	17	4	-
Refunds and reimbursements	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>(490)</u>	<u>4</u>	<u>1,986</u>
EXPENDITURES:			
Current:			
General government	292	-	-
Public safety	-	-	-
Public works	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	878
Debt service:			
Principal retirement	-	-	-
Cost of issuance	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>292</u>	<u>-</u>	<u>878</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(782)</u>	<u>4</u>	<u>1,108</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	535	-	-
Transfers out	(726)	(1,811)	-
Proceeds of long-term debt	-	1,811	-
Discounts	-	-	-
Total other financing sources (uses)	<u>(191)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(973)	4	1,108
FUND BALANCES (DEFICIT), BEGINNING OF YEAR, RESTATED	<u>21,917</u>	<u>266</u>	<u>12,080</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 20,944</u>	<u>\$ 270</u>	<u>\$ 13,188</u>

Other Special Revenue	Debt Service			Capital Projects		
	Mello- Roos Districts	1915 Act Assessment Districts	Stockton Public Financing Authority	Redevelopment Agency	Mello-Roos Districts	1915 Act Assessment Districts
\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ -	\$ -
-	-	-	-	-	-	-
-	10,333	6,208	1,595	-	49	-
-	-	-	-	20	-	-
92	-	-	-	-	-	-
165	146	-	-	-	-	-
-	-	-	-	108	-	-
28	654	428	219	64	340	269
4	30	40	5	(2)	75	28
3	17	-	-	6	50	-
548	-	-	-	-	-	-
840	11,180	6,676	1,819	1,946	514	297
84	252	130	40	-	23	-
214	-	-	-	-	-	-
-	-	-	-	-	-	-
218	-	-	-	-	-	-
265	-	-	-	-	-	-
-	-	-	-	5,901	5,014	1,352
-	3,775	2,690	825	-	-	-
-	-	-	-	-	466	-
-	5,420	3,250	1,753	-	-	-
781	9,447	6,070	2,618	5,901	5,503	1,352
59	1,733	606	(799)	(3,955)	(4,989)	(1,055)
700	2,112	2,480	1,811	2,468	-	-
-	-	(2,368)	(527)	(108)	(2,114)	(43)
-	-	-	-	256	30,879	-
-	-	-	-	-	(604)	-
700	2,112	112	1,284	2,616	28,161	(43)
759	3,845	718	485	(1,339)	23,172	(1,098)
879	14,899	10,811	4,153	(22,648)	9,377	6,816
\$ 1,638	\$ 18,744	\$ 11,529	\$ 4,638	\$ (23,987)	\$ 32,549	\$ 5,718

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# CITY OF STOCKTON

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Capital Projects Stockton Public Financing Authority	Permanent Miscellaneous	Totals
REVENUES:			
Taxes:			
Property	\$ -	\$ -	\$ 1,750
Sales and use	-	-	3,323
Other	-	-	18,456
Federal grants and subsidies	-	-	8,834
Other governmental	-	-	19,530
Charges for services	-	-	1,751
Use of money and property	-	-	338
Investment income:			
Interest income	68	75	2,058
Net increase (decrease) in fair value of investments	-	9	248
Refunds and reimbursements	-	-	543
Miscellaneous	-	-	557
Total revenues	68	84	57,388
EXPENDITURES:			
Current:			
General government	-	-	1,116
Public safety	-	-	1,856
Public works	-	-	1,859
Library	-	4	10,403
Parks and recreation	-	9	1,138
Capital outlay	-	-	31,023
Debt service:			
Principal retirement	-	-	7,290
Cost of issuance	-	-	466
Interest and fiscal charges	-	-	10,814
Total expenditures	-	13	65,965
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	68	71	(8,577)
OTHER FINANCING SOURCES (USES):			
Transfers in	2,048	-	22,498
Transfers out	(2,427)	-	(15,950)
Proceeds of long-term debt	-	-	32,946
Discounts	-	-	(604)
Total other financing sources (uses)	(379)	-	38,890
NET CHANGE IN FUND BALANCES	(311)	71	30,313
FUND BALANCES (DEFICIT), BEGINNING OF YEAR, RESTATED	612	1,620	93,455
FUND BALANCES (DEFICIT), END OF YEAR	\$ 301	\$ 1,691	\$ 123,768

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS PUBLIC FACILITIES IMPACT FEES MAJOR CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Other governmental	\$ -	\$ 66	\$ -	\$ (66)
Charges for services	10,389	10,389	13,263	2,874
Use of money and property	-	-	161	161
Investment income:				
Interest income	2,160	2,160	2,147	(13)
Net increase in fair value of investments	-	-	215	215
Total revenues	12,549	12,615	15,786	3,171
EXPENDITURES:				
Capital outlay:				
General government	913	959	921	38
Public safety	165	1,404	1,012	392
Public works	6,826	32,611	7,120	25,491
Library	1,150	1,712	255	1,457
Park and recreation	3,308	11,102	5,333	5,769
Total expenditures	12,362	47,788	14,641	33,147
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	187	(35,173)	1,145	36,318
OTHER FINANCING SOURCES (USES):				
Transfers out	(4)	(160)	(121)	39
Total other financing sources (uses)	(4)	(160)	(121)	39
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	183	(35,333)	1,024	36,357
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(19)	(19)
Encumbrances	-	-	333	333
NET CHANGE IN FUND BALANCE (GAAP BASIS)	183	(35,333)	1,338	36,671
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	54,289	54,289	41,833	(12,456)
FUND BALANCE, END OF YEAR	\$ 54,472	\$ 18,956	\$ 43,171	\$ 24,215

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS CAPITAL IMPROVEMENT MAJOR CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Other	\$ 21	\$ 21	\$ 17	\$ (4)
Federal grants and subsidies	-	436	233	(203)
Other governmental	-	14,027	6,714	(7,313)
Fines and forfeitures	-	-	3	3
Use of money and property	-	-	706	706
Investment income:				
Interest income	506	506	1,186	680
Net increase in fair value of investments	-	-	86	86
Refunds and reimbursements	-	-	458	458
Miscellaneous	403	433	672	239
Total revenues	930	15,423	10,075	(5,348)
EXPENDITURES:				
Capital outlay:				
General government	4,904	9,487	2,996	6,491
Public safety	1,253	10,985	4,918	6,067
Public works	56	11,494	5,255	6,239
Park and recreation	927	6,694	4,805	1,889
Total expenditures	7,140	38,660	17,974	20,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(6,210)	(23,237)	(7,899)	15,338
OTHER FINANCING SOURCES (USES):				
Transfers in	4,447	11,984	11,811	(173)
Transfers out	(117)	(872)	(700)	172
Total other financing sources (uses)	4,330	11,112	11,111	(1)
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(1,880)	(12,125)	3,212	15,337
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(7)	(7)
Encumbrances	-	-	2,686	2,686
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(1,880)	(12,125)	5,891	18,016
FUND BALANCE, BEGINNING OF YEAR,	36,303	36,303	36,303	-
FUND BALANCE, END OF YEAR	\$ 34,423	\$ 24,178	\$ 42,194	\$ 18,016

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS SOLID WASTE & RECYCLING NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 44	\$ 44	\$ 50	\$ 6
Investment income:				
Interest income	110	110	110	-
Net increase in fair value of investments	-	-	3	3
Refunds and reimbursements	385	385	420	35
Total revenues	539	539	583	44
EXPENDITURES:				
Current:				
Public works	1,177	1,220	1,195	25
Total expenditures	1,177	1,220	1,195	25
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(638)	(681)	(612)	69
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,222	3,222
Transfers out	-	(785)	(785)	-
Total other financing sources (uses)	-	(785)	2,437	3,222
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(638)	(1,466)	1,825	3,291
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(5)	(5)
Encumbrances	-	-	72	72
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(638)	(1,466)	1,892	3,358
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ (638)	\$ (1,466)	\$ 1,892	\$ 3,358



# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GAS TAX NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Other	\$ 154	\$ 154	\$ 188	\$ 34
Federal grants and subsidies	-	10,923	1,392	(9,531)
Other governmental	4,386	4,386	4,832	446
Investment income:				
Interest income	14	14	131	117
Net increase in fair value of investments	-	-	14	14
Refunds and reimbursements	-	-	3	3
Total revenues	<u>4,554</u>	<u>15,477</u>	<u>6,560</u>	<u>(8,917)</u>
EXPENDITURES:				
Capital outlay:				
Public works	<u>190</u>	<u>13,143</u>	<u>3,380</u>	<u>9,763</u>
Total expenditures	<u>190</u>	<u>13,143</u>	<u>3,380</u>	<u>9,763</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	<u>4,364</u>	<u>2,334</u>	<u>3,180</u>	<u>846</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(4,353)</u>	<u>(4,353)</u>	<u>(3,991)</u>	<u>362</u>
Total other financing sources (uses)	<u>(4,353)</u>	<u>(4,353)</u>	<u>(3,991)</u>	<u>362</u>
NET CHANGE IN FUND BALANCE	11	(2,019)	(811)	1,208
FUND BALANCE, BEGINNING OF YEAR	<u>3,050</u>	<u>3,050</u>	<u>3,050</u>	-
FUND BALANCE, END OF YEAR	<u>\$ 3,061</u>	<u>\$ 1,031</u>	<u>\$ 2,239</u>	<u>\$ 1,208</u>

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS MEASURE K SALES TAX NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales and use	\$ 6,450	\$ 2,820	\$ 3,323	\$ 503
Other governmental	-	25,011	8,177	(16,834)
Investment income:				
Interest income	204	204	203	(1)
Net increase in fair value of investments	-	-	19	19
Refunds and reimbursements	-	-	1	1
Total revenues	<u>6,654</u>	<u>28,035</u>	<u>11,723</u>	<u>(16,312)</u>
EXPENDITURES:				
Capital outlay:				
Public works	<u>6,356</u>	<u>32,679</u>	<u>11,283</u>	<u>21,396</u>
Total expenditures	<u>6,356</u>	<u>32,679</u>	<u>11,283</u>	<u>21,396</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	<u>298</u>	<u>(4,644)</u>	<u>440</u>	<u>5,084</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>-</u>	<u>(258)</u>	<u>-</u>	<u>258</u>
Total other financing sources (uses)	<u>-</u>	<u>(258)</u>	<u>-</u>	<u>258</u>
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	298	(4,902)	440	5,342
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(1)	(1)
Encumbrances	<u>-</u>	<u>-</u>	<u>637</u>	<u>637</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	298	(4,902)	1,076	5,978
FUND BALANCE, BEGINNING OF YEAR	<u>6,885</u>	<u>6,885</u>	<u>6,885</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,183</u>	<u>\$ 1,983</u>	<u>\$ 7,961</u>	<u>\$ 5,978</u>

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS CITY-COUNTY LIBRARY NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Other governmental	\$ 4,154	\$ 4,264	\$ 4,098	\$ (166)
Charges for services	150	150	177	27
Refunds and reimbursements	29	29	33	4
Miscellaneous	-	-	5	5
Total revenues	4,333	4,443	4,313	(130)
EXPENDITURES:				
Current:				
Library	10,239	10,529	9,873	656
Capital outlay:				
Library	750	1,528	350	1,178
Total expenditures	10,989	12,057	10,223	1,834
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(6,656)	(7,614)	(5,910)	1,704
OTHER FINANCING SOURCES (USES):				
Transfers in	6,219	6,219	6,219	-
Transfers out	-	-	-	-
Total other financing sources (uses)	6,219	6,219	6,219	-
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(437)	(1,395)	309	1,704
BASIS ADJUSTMENTS:				
Compensated absences	-	-	(17)	(17)
Encumbrances	-	-	208	208
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(437)	(1,395)	500	1,895
FUND BALANCE, BEGINNING OF YEAR	1,635	1,635	1,635	-
FUND BALANCE, END OF YEAR	\$ 1,198	\$ 240	\$ 2,135	\$ 1,895

# CITY OF STOCKTON

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS SPECIAL ASSESSMENTS NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Other	\$ 100	\$ 100	\$ 83	\$ (17)
Charges for services	-	1,031	1,036	5
Refunds and reimbursements	-	-	4	4
Miscellaneous	-	-	4	4
	<u>100</u>	<u>1,131</u>	<u>1,127</u>	<u>(4)</u>
Total revenues				
EXPENDITURES:				
Current:				
General government	151	151	75	76
Public works	2	1,171	775	396
	<u>153</u>	<u>1,322</u>	<u>850</u>	<u>472</u>
Total expenditures				
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(53)	(191)	277	468
BASIS ADJUSTMENTS:				
Encumbrances	-	-	83	83
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(53)	(191)	360	551
FUND BALANCE, BEGINNING OF YEAR	<u>1,589</u>	<u>1,589</u>	<u>1,589</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,536</u>	<u>\$ 1,398</u>	<u>\$ 1,949</u>	<u>\$ 551</u>

# CITY OF STOCKTON

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ON A BUDGETARY BASIS OTHER SPECIAL REVENUE NONMAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Other governmental	\$ 26	\$ 526	\$ 92	\$ (434)
Charges for services	156	156	165	9
Investment income:				
Interest income	10	10	28	18
Net increase in fair value of investments	-	-	4	4
Refunds and reimbursements	3	3	3	-
Miscellaneous	669	669	548	(121)
Total revenues	864	1,364	840	(524)
EXPENDITURES:				
Current:				
General government	111	111	84	27
Public safety	324	327	217	110
Library	552	552	218	334
Parks and recreation	424	436	273	163
Total expenditures	1,411	1,426	792	634
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(547)	(62)	48	110
OTHER FINANCING SOURCES (USES):				
Transfers in	-	700	700	-
Total other financing sources (uses)	-	700	700	-
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	(547)	638	748	110
BASIS ADJUSTMENTS:				
Encumbrances	-	-	11	11
NET CHANGE IN FUND BALANCE (GAAP BASIS)	(547)	638	759	121
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	950	950	879	(71)
FUND BALANCE, END OF YEAR	\$ 403	\$ 1,588	\$ 1,638	\$ 50

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## ***NONMAJOR ENTERPRISE FUNDS***

The funds used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of City Council is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of income is appropriate for accountability purposes.

## **NONMAJOR ENTERPRISE FUNDS**

### **Solid Waste**

To account for activities associated with the operation and maintenance, closure and post-closure of the Austin Road and French Camp landfill sites, and garden refuse collection.

### **Golf Courses**

To account for activities associated with the improvement and operation and maintenance of Swenson, Van Buskirk and Lyons golf courses.

### **Central Parking District**

To account for activities associated with the acquisition or construction, operation and maintenance of off-street parking facilities.



# CITY OF STOCKTON

## COMBINING STATEMENT OF NET ASSETS

### - NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2002

(Dollar amounts in thousands)

	Solid Waste	Golf Courses	Central Parking District	Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 856	\$ 281	\$ 1,031	\$ 2,168
Receivables:				
Interest	11	-	8	19
Accounts and other receivables	322	5	55	382
Allowance for uncollectibles	(116)	-	-	(116)
Total current assets	<u>1,073</u>	<u>286</u>	<u>1,094</u>	<u>2,453</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	-	158	158
Cash and cash equivalents with fiscal agents	-	-	60	60
Deferred charges	-	-	104	104
Capital assets, net:				
Nondepreciable	-	360	4,869	5,229
Depreciable, net	-	2,035	8,368	10,403
Total noncurrent assets	<u>-</u>	<u>2,395</u>	<u>13,559</u>	<u>15,954</u>
Total assets	<u>1,073</u>	<u>2,681</u>	<u>14,653</u>	<u>18,407</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2	155	22	179
Deposits and other liabilities	-	-	98	98
Accrued interest	-	-	139	139
Compensated absences - current	95	56	6	157
Other long-term debt - current	-	-	9	9
Total current liabilities	<u>97</u>	<u>211</u>	<u>274</u>	<u>582</u>
Noncurrent liabilities:				
Advances from other funds	-	1,224	700	1,924
Compensated absences - long-term	271	223	26	520
Bonds payable	-	-	6,063	6,063
Total noncurrent liabilities	<u>271</u>	<u>1,447</u>	<u>6,789</u>	<u>8,507</u>
Total liabilities	<u>368</u>	<u>1,658</u>	<u>7,063</u>	<u>9,089</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	-	2,395	6,982	9,377
Restricted for debt service	-	-	67	67
Unrestricted	<u>705</u>	<u>(1,372)</u>	<u>541</u>	<u>(126)</u>
Total net assets	<u>\$ 705</u>	<u>\$ 1,023</u>	<u>\$ 7,590</u>	<u>\$ 9,318</u>

# CITY OF STOCKTON

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Solid Waste	Golf Courses	Central Parking District	Totals
OPERATING REVENUES:				
Charges for services	\$ 2,044	\$ 1,814	\$ 2,267	\$ 6,125
Miscellaneous	41	498	6	545
Total operating revenues	2,085	2,312	2,273	6,670
OPERATING EXPENSES:				
Operation and maintenance	2,452	2,375	1,245	6,072
Depreciation and amortization	-	71	328	399
Total operating expenses	2,452	2,446	1,573	6,471
OPERATING INCOME (LOSS)	(367)	(134)	700	199
NON-OPERATING REVENUES (EXPENSES):				
Taxes	-	-	580	580
Investment income:				
Interest income	50	-	97	147
Net increase (decrease) in fair value of investments	5	-	(1)	4
Gain (loss) from disposal of property	-	-	(143)	(143)
Interest expense and fiscal charges	-	-	(262)	(262)
Total non-operating revenues	55	-	271	326
INCOME (LOSS) BEFORE TRANSFERS	(312)	(134)	971	525
Transfers in	-	-	598	598
Transfers out	(3,240)	(12)	(660)	(3,912)
CHANGE IN NET ASSETS	(3,552)	(146)	909	(2,789)
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	4,257	1,169	6,681	12,107
NET ASSETS, END OF YEAR	\$ 705	\$ 1,023	\$ 7,590	\$ 9,318

# CITY OF STOCKTON

## COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Solid Waste	Golf Courses	Central Parking District	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,105	\$ 2,311	\$ 2,273	\$ 6,689
Payments to suppliers	(633)	(879)	(420)	(1,932)
Payments to employees	(1,825)	(1,496)	(821)	(4,142)
Payments for interfund services used	(37)	(8)	(3)	(48)
Net cash provided (used) by operating activities	(390)	(72)	1,029	567
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	598	598
Transfers out	(3,240)	(12)	(660)	(3,912)
Advances from other funds	-	-	700	700
Proceeds from taxes	-	-	677	677
Other governmental	-	-	5	5
Net cash provided (used) by noncapital financing activities	(3,240)	(12)	1,320	(1,932)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	2	-	-	2
Proceeds from capital debt	-	-	6,027	6,027
Principal paid on capital debt	-	-	(7,147)	(7,147)
Purchases of capital assets	-	(311)	(1,167)	(1,478)
Interest paid on capital debt	-	-	(245)	(245)
Net cash provided (used) by capital and related financing activities	2	(311)	(2,532)	(2,841)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	96	-	99	195
Net cash provided by investing activities	96	-	99	195
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,532)	(395)	(84)	(4,011)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,388	676	1,333	6,397
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 856	\$ 281	\$ 1,249	\$ 2,386

(Continued)

# CITY OF STOCKTON

## COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Solid Waste	Golf Courses	Central Parking District	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (367)	\$ (134)	\$ 700	\$ 199
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	-	71	328	399
Provision for uncollectible accounts	4	-	(8)	(4)
Changes in assets and liabilities:				
Accounts and other receivables	16	(1)	-	15
Accounts payable	(12)	(47)	(9)	(68)
Deposits and other liabilities	-	-	8	8
Compensated absences	(31)	39	10	18
Net cash provided (used) by operating activities	<u>\$ (390)</u>	<u>\$ (72)</u>	<u>\$ 1,029</u>	<u>\$ 567</u>
NONCASH TRANSACTIONS:				
Net increase (decrease) in fair value of investments	\$ 5	\$ -	\$ (1)	\$ 4
Deleted capital assets due to increased capitalization threshold	1	18	32	51
Disposed capital assets	-	-	143	143
Reconciliation of cash and cash equivalents to the combining statement of net assets - nonmajor enterprise funds:				
Cash and cash equivalents	\$ 856	\$ 281	\$ 1,031	\$ 2,168
Restricted assets:				
Cash and cash equivalents	-	-	158	158
Cash and cash equivalents with fiscal agents	-	-	60	60
Total cash and cash equivalents	<u>\$ 856</u>	<u>\$ 281</u>	<u>\$ 1,249</u>	<u>\$ 2,386</u>

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## ***INTERNAL SERVICE FUNDS***

The funds established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, and to other government units on a cost reimbursement basis.

## **INTERNAL SERVICE FUNDS**

### **Central Garage**

The fund established to account for the financing, operating and maintenance of vehicles and similar equipment provided to City departments on a cost reimbursement basis.

### **Computer Equipment**

To provide accounting of the financing, service and maintenance of all computer and related equipment to City departments on a cost reimbursement basis.

### **Radio Equipment**

To account for the financing, service, and maintenance of radio equipment provided to various City departments on a cost reimbursement basis.

### **Other Equipment**

The fund established to account for financing, operating and maintenance of other, comparatively smaller equipment funds on a cost reimbursement basis. Included are telephone, other office equipment and printing and mailing.

### **General Insurance**

To account for premiums and claims paid, and administration of the fund established to provide general liability insurance coverage to City departments on a cost reimbursement basis.

### **Workers' Compensation Insurance**

The fund established to account for workers' compensation premiums and claims paid, and administration of the fund on behalf of all City departments on a cost reimbursement basis.

### **Health Benefits Insurance**

The fund established to account for health benefits insurance premiums and claims paid, and administration of the fund on behalf of all City departments on a cost reimbursement basis.

### **Other Insurance**

To report, on a cost reimbursement basis, the premiums and claims paid, and administration of comparatively smaller insurance funds for long-term disability and life insurance, payments to CalPERS, and termination pay.

# CITY OF STOCKTON

## COMBINING STATEMENT OF NET ASSETS

### - INTERNAL SERVICE FUNDS

JUNE 30, 2002

(Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 4,504	\$ 4,732	\$ 2,647	\$ 2,847
Receivables:				
Accounts and other receivables	184	4	-	-
Allowance for uncollectibles	(146)	-	-	-
Due from other governments	-	324	-	-
Total current assets	<u>4,542</u>	<u>5,060</u>	<u>2,647</u>	<u>2,847</u>
Noncurrent assets:				
Deferred charges	-	-	-	-
Capital assets, net:				
Depreciable, net	8,441	1,748	1,410	711
Total noncurrent assets	<u>8,441</u>	<u>1,748</u>	<u>1,410</u>	<u>711</u>
Total assets	<u>12,983</u>	<u>6,808</u>	<u>4,057</u>	<u>3,558</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 494	\$ 417	\$ 49	\$ 19
Compensated absences - current	153	120	-	16
Self-insurance claims and judgments - current	-	-	-	-
Total current liabilities	<u>647</u>	<u>537</u>	<u>49</u>	<u>35</u>
Noncurrent liabilities:				
Compensated absences - long-term	283	180	-	49
Self-insurance claims and judgments - long-term	-	-	-	-
Total noncurrent liabilities	<u>283</u>	<u>180</u>	<u>-</u>	<u>49</u>
Total liabilities	<u>930</u>	<u>717</u>	<u>49</u>	<u>84</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,441	1,748	1,410	711
Unrestricted	<u>3,612</u>	<u>4,343</u>	<u>2,598</u>	<u>2,763</u>
Total net assets	<u>\$ 12,053</u>	<u>\$ 6,091</u>	<u>\$ 4,008</u>	<u>\$ 3,474</u>



General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals
\$ 2,127	\$ 5,994	\$ 874	\$ 3,000	\$ 26,725
96	67	(19)	14	346
-	-	-	-	(146)
-	-	-	-	324
<u>2,223</u>	<u>6,061</u>	<u>855</u>	<u>3,014</u>	<u>27,249</u>
-	-	61	-	61
-	-	-	-	12,310
-	-	61	-	12,371
<u>2,223</u>	<u>6,061</u>	<u>916</u>	<u>3,014</u>	<u>39,620</u>
\$ 13	\$ 20	\$ 145	\$ 574	\$ 1,731
3	27	-	-	319
1,447	4,307	2,423	-	8,177
<u>1,463</u>	<u>4,354</u>	<u>2,568</u>	<u>574</u>	<u>10,227</u>
15	26	-	-	553
2,362	20,639	-	-	23,001
<u>2,377</u>	<u>20,665</u>	<u>-</u>	<u>-</u>	<u>23,554</u>
<u>3,840</u>	<u>25,019</u>	<u>2,568</u>	<u>574</u>	<u>33,781</u>
-	-	-	-	12,310
(1,617)	(18,958)	(1,652)	2,440	(6,471)
<u>\$ (1,617)</u>	<u>\$ (18,958)</u>	<u>\$ (1,652)</u>	<u>\$ 2,440</u>	<u>\$ 5,839</u>

# CITY OF STOCKTON

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
OPERATING REVENUES:				
Charges for services	\$ 7,563	\$ 5,489	\$ 1,096	\$ 2,138
Total operating revenues	7,563	5,489	1,096	2,138
OPERATING EXPENSES:				
Operation and maintenance	3,261	5,740	1,176	1,057
General and administrative	1,688	-	-	-
Depreciation and amortization	1,702	620	185	119
Total operating expenses	6,651	6,360	1,361	1,176
OPERATING INCOME (LOSS)	912	(871)	(265)	962
NON-OPERATING REVENUES (EXPENSES):				
Federal grants and subsidies	-	615	-	-
Other governmental	-	6	-	-
Investment income:				
Interest income	-	2	-	-
Net increase in fair value of investments	-	-	-	-
Gain from disposal of property	84	7	8	-
Other non-operating revenues	4	-	-	-
Total non-operating revenues (expenses)	88	630	8	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,000	(241)	(257)	962
Transfers in	227	18	165	-
Transfers out	(22)	(15)	(1)	(3)
CHANGE IN NET ASSETS	1,205	(238)	(93)	959
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	10,848	6,329	4,101	2,515
NET ASSETS, END OF YEAR	\$ 12,053	\$ 6,091	\$ 4,008	\$ 3,474

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals
<u>\$ 4,703</u>	<u>\$ 7,857</u>	<u>\$ 14,621</u>	<u>\$ 15,523</u>	<u>\$ 58,990</u>
<u>4,703</u>	<u>7,857</u>	<u>14,621</u>	<u>15,523</u>	<u>58,990</u>
953	11,406	17,599	16,237	57,429
701	1,126	307	-	3,822
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,626</u>
<u>1,654</u>	<u>12,532</u>	<u>17,906</u>	<u>16,237</u>	<u>63,877</u>
<u>3,049</u>	<u>(4,675)</u>	<u>(3,285)</u>	<u>(714)</u>	<u>(4,887)</u>
-	-	-	-	615
-	-	-	-	6
177	257	-	62	498
17	23	-	5	45
-	-	-	-	99
<u>1</u>	<u>2</u>	<u>922</u>	<u>-</u>	<u>929</u>
<u>195</u>	<u>282</u>	<u>922</u>	<u>67</u>	<u>2,192</u>
3,244	(4,393)	(2,363)	(647)	(2,695)
-	-	2,600	2,605	5,615
<u>(3,258)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(3,300)</u>
(14)	(4,394)	237	1,958	(380)
<u>(1,603)</u>	<u>(14,564)</u>	<u>(1,889)</u>	<u>482</u>	<u>6,219</u>
<u>\$ (1,617)</u>	<u>\$ (18,958)</u>	<u>\$ (1,652)</u>	<u>\$ 2,440</u>	<u>\$ 5,839</u>

# CITY OF STOCKTON

## COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 111	\$ 8	\$ -	\$ -
Receipts from interfund service providers	7,452	5,481	1,096	2,138
Payments to suppliers	(2,542)	(4,190)	(1,343)	(826)
Payments to employees	(2,341)	(1,690)	(43)	(287)
Net cash provided (used) by operating activities	<u>2,680</u>	<u>(391)</u>	<u>(290)</u>	<u>1,025</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	227	18	165	-
Transfers out	(22)	(15)	(1)	(3)
Other non-operating revenues	4	-	-	-
Other governmental	-	78	-	-
Federal grants and subsidies	-	615	-	-
Net cash provided (used) by noncapital financing activities	<u>209</u>	<u>696</u>	<u>164</u>	<u>(3)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	84	7	8	-
Purchases of capital assets	(2,449)	(531)	(513)	(31)
Net cash used by capital and related financing activities	<u>(2,365)</u>	<u>(524)</u>	<u>(505)</u>	<u>(31)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	-	2	-	-
Net cash provided by investing activities	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	524	(217)	(631)	991
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,980</u>	<u>4,949</u>	<u>3,278</u>	<u>1,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,504</u>	<u>\$ 4,732</u>	<u>\$ 2,647</u>	<u>\$ 2,847</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals
\$ 429	\$ 252	\$ 223	\$ -	\$ 1,023
2,971	13,554	14,889	15,523	63,104
(1,032)	(11,836)	(17,812)	(13,534)	(53,115)
(619)	(704)	(250)	(3,367)	(9,301)
1,749	1,266	(2,950)	(1,378)	1,711
-	-	2,600	2,605	5,615
(3,258)	(1)	-	-	(3,300)
1	2	922	-	929
-	-	-	-	78
-	-	-	-	615
(3,257)	1	3,522	2,605	3,937
-	-	-	-	99
-	-	-	-	(3,524)
-	-	-	-	(3,425)
194	280	-	67	543
194	280	-	67	543
(1,314)	1,547	572	1,294	2,766
3,441	4,447	302	1,706	23,959
\$ 2,127	\$ 5,994	\$ 874	\$ 3,000	\$ 26,725

(Continued)

# CITY OF STOCKTON

## COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 912	\$ (871)	\$ (265)	\$ 962
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,702	620	185	119
Provision for uncollectible accounts	(228)	-	-	-
Self-insurance	-	-	-	-
Changes in assets and liabilities:				
Accounts and other receivables	219	(4)	-	-
Accounts payable	61	(156)	(210)	(64)
Accrued payroll and benefits	-	-	-	-
Compensated absences	14	20	-	8
Net cash provided (used) by operating activities	<u>\$ 2,680</u>	<u>\$ (391)</u>	<u>\$ (290)</u>	<u>\$ 1,025</u>
NONCASH TRANSACTIONS:				
Net increase (decrease) in fair value of investments	\$ -	\$ -	\$ -	\$ -
Deleted capital assets due to increased capitalization threshold	78	2,258	1,382	92

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals
\$ 3,049	\$ (4,675)	\$ (3,285)	\$ (714)	\$ (4,887)
-	-	-	-	2,626
-	-	-	-	(228)
(1,303)	5,949	491	-	5,137
4	(8)	20	(7)	224
(7)	(14)	(176)	104	(462)
-	-	-	(761)	(761)
6	14	-	-	62
<u>\$ 1,749</u>	<u>\$ 1,266</u>	<u>\$ (2,950)</u>	<u>\$ (1,378)</u>	<u>\$ 1,711</u>
\$ 17	\$ 23	\$ (1)	\$ 5	\$ 44
-	-	-	-	3,810

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# CITY OF STOCKTON

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

### COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2002

(With comparative totals for June 30, 2001)

(Dollar amounts in thousands)

	2002	2001
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land	\$ 22,243	\$ 22,243
Buildings and improvements	49,095	47,945
Infrastructure	193,485	170,783
Equipment	1,001	929
Public art collections	32	-
Construction in progress	149,437	130,503
Total	<u>\$ 415,293</u>	<u>\$ 372,403</u>
INVESTMENTS IN GOVERNMENTAL FUND		
CAPITAL ASSETS BY SOURCE:		
General Fund	\$ 606	\$ 590
Special revenue funds	16,031	15,976
Capital projects funds	188,322	149,390
Donations	210,334	206,447
Total	<u>\$ 415,293</u>	<u>\$ 372,403</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# CITY OF STOCKTON

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

### SCHEDULE BY FUNCTION

JUNE 30, 2002

(Dollar amounts in thousands)

	Land	Buildings and Improvements	Infrastructure	Equipment	Public Art Collections	Construction in Progress	Total
General government	\$ 357	\$ 4,753	\$ -	\$ 51	\$ -	\$ -	\$ 5,161
Public safety	1,321	9,733	-	735	-	-	11,789
Public works	66	2,014	192,871	62	-	-	195,013
Library	1,122	6,831	-	-	-	-	7,953
Parks and recreation	7,911	24,651	614	146	32	-	33,354
Other property	2,081	-	-	7	-	-	2,088
Redevelopment Agency	9,385	1,113	-	-	-	-	10,498
Construction in progress	-	-	-	-	-	149,437	149,437
Total	<u>\$ 22,243</u>	<u>\$ 49,095</u>	<u>\$ 193,485</u>	<u>\$ 1,001</u>	<u>\$ 32</u>	<u>\$ 149,437</u>	<u>\$ 415,293</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# CITY OF STOCKTON

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION FOR THE YEAR ENDED JUNE 30, 2002 (Dollar amounts in thousands)

	Balance 7/1/01	Additions	Deductions	Balance 6/30/02
General government	\$ 4,011	\$ 1,151	\$ -	\$ 5,162
Public safety	11,733	56	-	11,789
Public works	172,918	22,094	-	195,012
Library	7,953	-	-	7,953
Parks and recreation	32,698	656	-	33,354
Other property	2,088	-	-	2,088
Redevelopment Agency	10,498	-	-	10,498
Municipal utilities	2	-	2	-
Construction in progress	<u>130,502</u>	<u>23,985</u>	<u>5,050</u>	<u>149,437</u>
Total	<u>\$ 372,403</u>	<u>\$ 47,942</u>	<u>\$ 5,052</u>	<u>\$ 415,293</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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## ***STATISTICAL SECTION***

The statistical section is presented for the purpose of additional analysis and contains data that may provide the viewer with valuable insight regarding the demographics and financial position of the City.

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# CITY OF STOCKTON

**TABLE 1**  
**GOVERNMENT-WIDE EXPENSES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	General Govern- ment	Public Safety	Public Works	Library	Parks and Rec- reation	Interest & Fiscal Charges	Water Utility	Sanitary Waste- water Utility	Storm- water Utility	Other	Total
2002	\$ 16,844	\$ 106,062	\$ 30,895	\$ 11,475	\$ 16,203	\$ 11,186	\$ 13,742	\$ 25,743	\$ 4,612	\$ 6,876	\$ 243,638

Note: Information is available beginning in fiscal year 2002, when the City implemented GASB 34 "Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments."

Source: City of Stockton Administrative Services Department

# CITY OF STOCKTON

**TABLE 2**  
**GOVERNMENT-WIDE REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Investment Earnings	Misc.	Gain on Sale of Capital Assets	Total
2002	\$ 97,464	\$ 8,950	\$ 43,478	\$ 121,822	\$ 22,428	\$ 13,808	\$ 4,047	\$ 99	\$ 312,096

Note: Information is available beginning in fiscal year 2002, when the City implemented GASB 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."

Source: City of Stockton Administrative Services Department



# CITY OF STOCKTON

**TABLE 3**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	General Government	Public Safety	Public Works	Library	Parks and Recreation	Capital Outlay	Debt Service	Total (1)
1993	\$ 9,841	\$ 61,037	\$ 8,721	\$ 7,978	\$ 8,054	\$ 27,087	\$ 17,407	\$ 140,125 <i>140,125</i>
1994	9,806	63,283	9,393	7,225	8,048	25,554	34,280	157,589 <i>155,461</i>
1995	10,356	67,433	9,359	7,015	8,148	23,970	18,569	144,850 <i>139,503</i>
1996	11,131	69,566	10,912	6,908	7,932	20,098	17,636	144,183 <i>135,729</i>
1997	11,038	77,107	11,264	7,526	8,300	37,214	18,470	170,919 <i>156,070</i>
1998	11,037	79,432	11,152	7,619	8,905	29,315	16,439	163,899 <i>144,687</i>
1999	11,370	80,296	10,059	8,187	9,449	32,199	15,791	167,351 <i>142,317</i>
2000	13,128	85,400	12,183	8,571	10,461	49,950	15,051	194,744 <i>158,862</i>
2001	14,440	91,226	12,721	9,358	11,898	65,957	19,062	224,662 <i>171,939</i>
2002	16,182	102,626	15,206	10,403	13,433	60,652	18,570	237,072 <i>179,276</i>

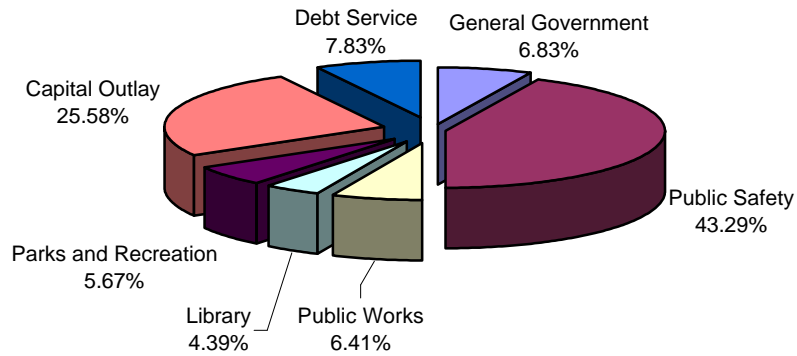
Note: General Governmental Expenditures includes General, Special Revenue, Debt Service, Capital Projects, Permanent Funds.

(1) Italicized numbers represent "constant dollars" based on the annual average (June to July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1993 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City of Stockton Administrative Services Department  
US Department of Labor, Bureau of Labor Statistics

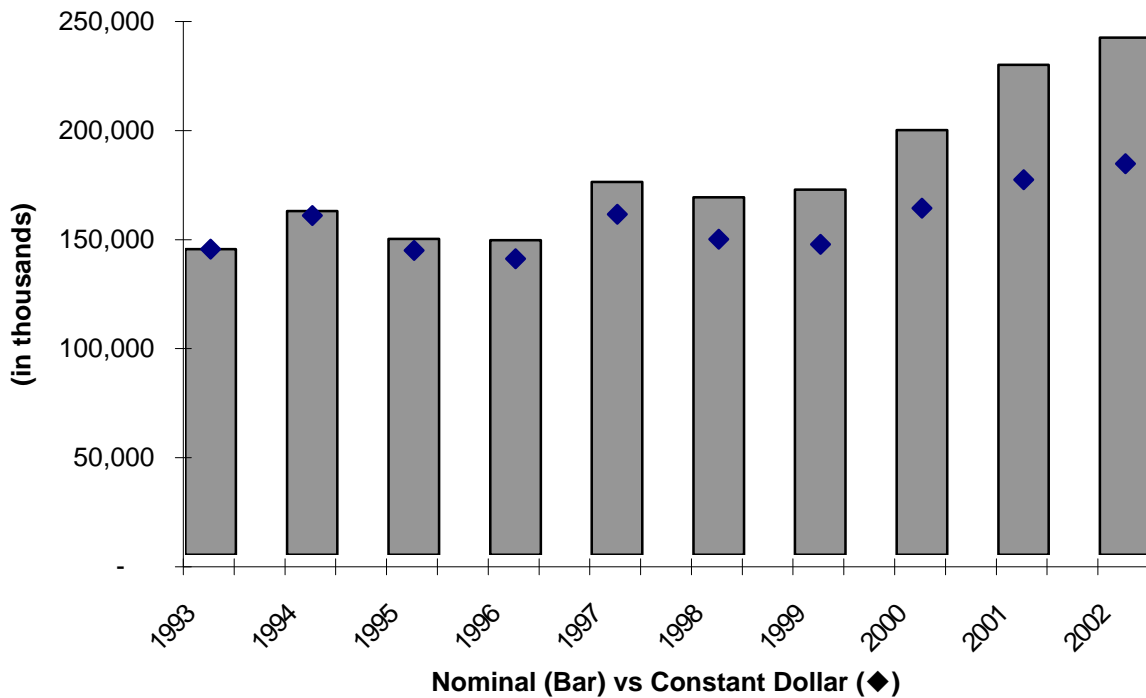
# General Governmental Expenditures

By Function  
(in thousands)



## General Governmental Expenditures

Last Ten Fiscal Years



# CITY OF STOCKTON

**TABLE 4**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Taxes	Licenses & Permits	Federal Grants & Subsidies	Other Governmental	Charges for Services	Fines & Forfeitures	Use of Money & Property	Investment Income (1)	Refunds & Reimbursements	Misc.	Total (2)
1993	\$ 84,557	\$ 2,216	\$ 4,428	\$ 16,770	\$ 12,799	\$ 733	\$ 5,980	-	\$ 6,514	\$ 4,424	\$138,421
											138,421
1994	89,530	2,217	3,301	16,557	14,033	632	4,673	-	2,065	4,060	137,068
											135,217
1995	90,481	2,127	6,583	16,898	13,482	575	5,656	-	1,783	3,874	141,459
											136,237
1996	89,402	2,281	9,943	17,977	16,051	612	6,809	-	6,611	5,017	154,703
											145,632
1997	91,381	2,064	12,996	18,657	16,789	545	1,373	5,861	5,717	4,221	159,604
											145,738
1998	93,902	2,337	13,269	26,275	19,051	511	2,170	5,596	988	5,226	169,325
											149,477
1999	97,719	2,507	11,838	24,804	20,665	899	1,701	4,501	7,098	5,870	177,602
											151,034
2000	103,000	3,333	8,535	38,588	26,044	1,115	1,467	5,494	1,250	6,908	195,734
											159,669
2001	117,181	3,758	18,073	40,706	26,557	1,445	1,416	11,893	2,822	5,182	229,033
											175,284
2002	121,448	5,493	9,188	42,250	32,117	1,552	1,806	7,401	3,310	6,661	231,226
											174,856

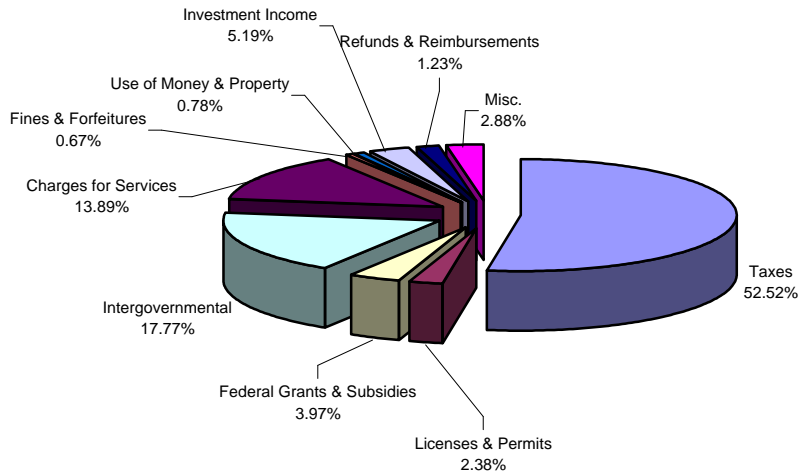
Note: General Governmental Revenues includes General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

- (1) The recognition of fair value as an element of investment income, beginning in fiscal year 1997 (as restated) is a result of the implementation of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".
- (2) Italicized numbers represent "constant dollars" based on annual average (June to July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1993 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City of Stockton Administrative Services Department  
US Department of Labor, Bureau of Labor Statistics

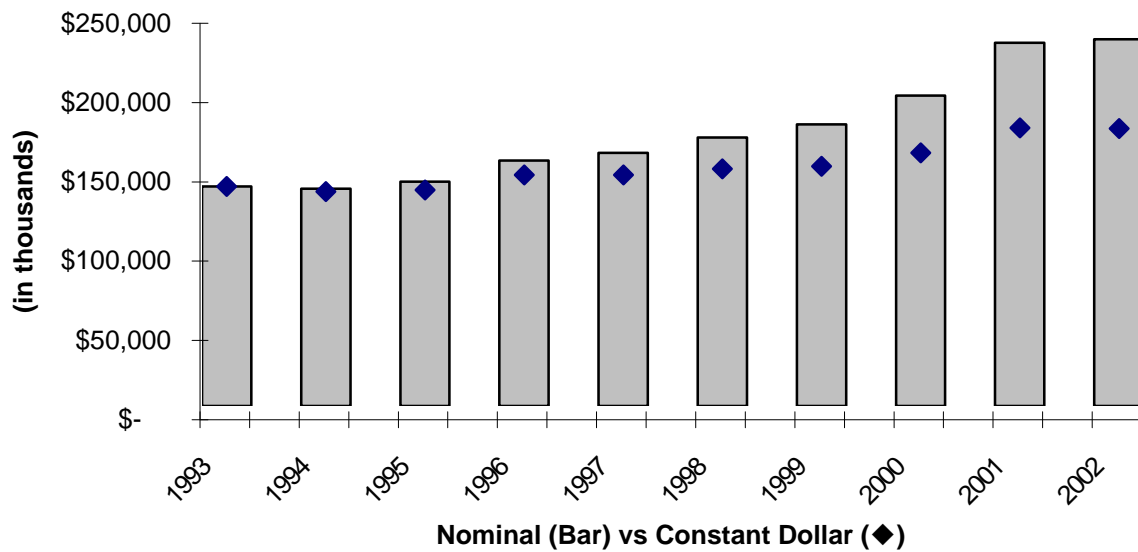
## General Governmental Revenues

By Source  
(in thousands)



## General Governmental Revenues

Last Ten Fiscal Years



# CITY OF STOCKTON

**TABLE 4A**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Property	Utility	Sales & Use	OTHER							Total (1)
				Franchise	Business License	Transient Occupancy	Document Transfer	Special Assmts.	Transit	Misc.	
1993	\$ 17,703	\$18,719	\$21,017	\$ 3,414	\$ 4,990	\$ 1,107	\$ 1,266	\$ 16,237	\$ 83	\$ 21	\$ 84,557
											<i>84,557</i>
1994	18,841	20,466	22,416	3,203	4,820	1,044	1,469	17,253	-	18	89,530
											<i>88,321</i>
1995	15,684	21,706	22,984	3,935	4,927	1,121	1,395	18,470	176	83	90,481
											<i>87,141</i>
1996	16,207	21,141	23,710	3,350	4,964	1,106	1,230	17,439	-	255	89,402
											<i>84,160</i>
1997	15,820	22,271	23,983	3,951	5,459	1,136	1,391	17,160	192	18	91,381
											<i>83,442</i>
1998	16,270	22,994	25,290	4,056	5,244	1,280	1,689	16,945	114	20	93,902
											<i>82,895</i>
1999	16,747	24,160	27,265	4,630	5,714	1,385	1,095	16,591	111	21	97,719
											<i>83,101</i>
2000	17,584	25,468	31,722	4,222	6,133	1,559	478	15,680	134	20	103,000
											<i>84,022</i>
2001	18,997	31,188	36,323	5,255	6,643	1,994	692	15,877	154	20	117,143
											<i>89,652</i>
2002	20,742	31,462	35,812	5,364	6,897	2,005	777	18,135	188	66	121,448
											<i>91,840</i>

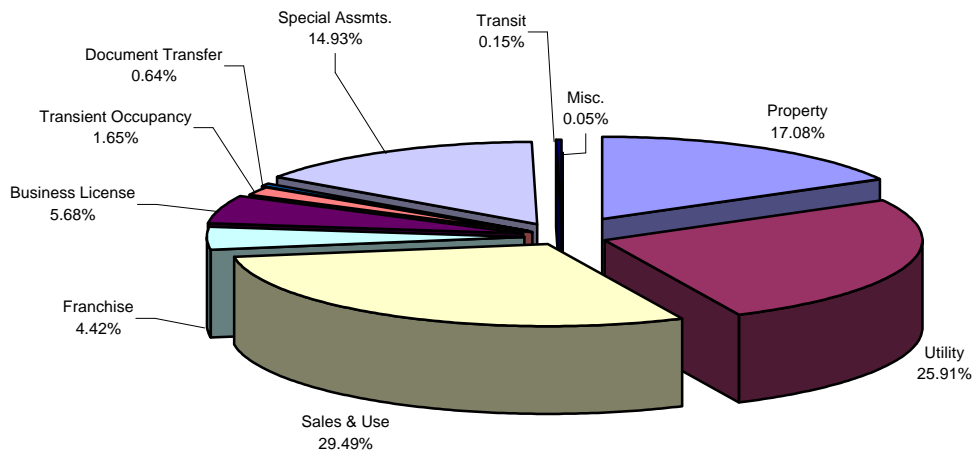
Note: General Governmental Revenues includes General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

(1) Italicized numbers represent “constant dollars” based on the annual average (June – July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1993 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City of Stockton Administrative Services Department  
US Department of Labor, Bureau of Labor Statistics

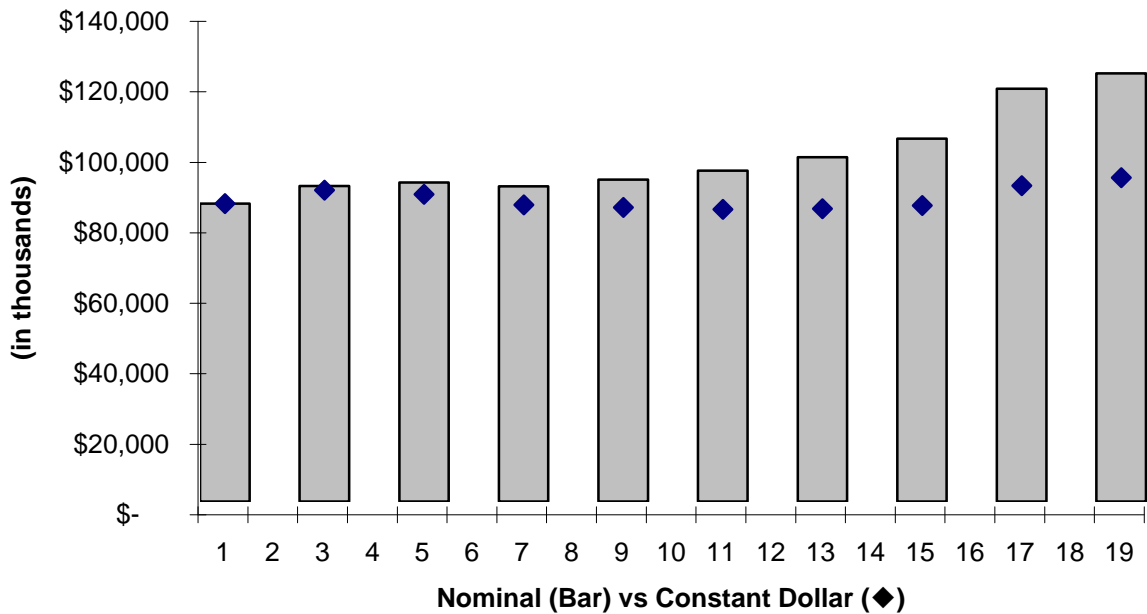
General Governmental Tax Revenues

By Source  
(in thousands)



Total Governmental Tax

Last Ten Fiscal Years



## CITY OF STOCKTON

**TABLE 5**  
**SECURED PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected (1)	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
1993	\$ 14,758	\$ 14,021	95.01 %	\$ 746	\$ 14,767	100.06 %
1994	14,959	13,237	88.49	2,319	15,556	103.99
1995	13,539	13,146	97.10	-	13,146	97.10
1996	13,763	13,763	100.00	-	13,763	100.00
1997	13,626	13,626	100.00	-	13,626	100.00
1998	14,268	14,268	100.00	-	14,268	100.00
1999	14,518	14,518	100.00	-	14,518	100.00
2000	15,164	15,164	100.00	-	15,164	100.00
2001	16,132	16,132	100.00	-	16,132	100.00
2002	18,056	18,056	100.00	-	18,056	100.00

- (1) Per agreement with San Joaquin County; the County provides the City of Stockton with 100% of the amount owed to the City of Stockton for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of revenues collected for interest and penalties. This agreement is commonly referred to as the Teeter Plan.

Source: San Joaquin County Auditor/Controller's Office

# CITY OF STOCKTON

**TABLE 6**  
**ASSESSED FULL CASH VALUE OF ALL TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Secured Roll	Mineral	Utility Roll	Unsecured Roll	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1993	\$ 7,332,787	\$ 47	\$ 8,628	\$ 714,270	\$ 8,055,732	\$ 640,394	\$ 7,415,338
1994	7,701,613	-	10,645	730,770	8,443,029	647,588	7,795,441
1995	7,808,294	-	11,171	755,919	8,575,384	678,052	7,897,332
1996	8,001,731	-	11,523	801,470	8,814,724	710,256	8,104,468
1997	7,995,188	-	11,644	783,505	8,790,337	733,337	8,057,000
1998	8,165,852	-	14,893	786,120	8,966,865	755,604	8,211,261
1999	8,347,987	-	17,038	775,627	9,140,653	780,309	8,360,344
2000	8,719,177	-	15,364	799,923	9,534,464	902,578	8,631,886
2001	10,201,671	-	13,536	834,424	11,049,631	952,815	10,096,816
2002	11,300,938	-	12,683	904,354	12,217,975	1,003,662	11,214,313

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1993	\$ 2,224,227	\$ 5,214,891	\$ 616,614	\$ 8,055,732	\$ 640,394	\$ 7,415,338
1994	2,308,510	5,511,138	623,380	8,443,029	647,588	7,795,441
1995	2,296,566	5,659,621	619,197	8,575,384	678,052	7,897,332
1996	2,348,413	5,802,491	663,820	8,814,724	710,256	8,104,468
1997	2,297,478	5,848,754	644,105	8,790,337	733,337	8,057,000
1998	2,329,276	5,984,645	652,944	8,966,865	755,604	8,211,261
1999	2,373,758	6,089,228	677,666	9,140,653	780,309	8,360,344
2000	2,439,069	6,384,457	713,937	9,534,464	902,578	8,631,886
2001	2,756,278	7,579,417	713,936	11,049,631	952,815	10,096,816
2002	3,132,565	8,350,637	734,773	12,217,975	1,003,662	11,214,313

Note: Gross assessed value includes homeowners and other exemptions, and excludes redevelopment area incremental credits.

(1) Exemptions include homeowners (\$255,723) and other (\$747,939).

Source: San Joaquin County Auditor/Controller's Office



# CITY OF STOCKTON

**TABLE 7**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Basic Countywide Levy</b>	<b>City</b>	<b>Stockton Unified School District (1)</b>	<b>Groundwater Investigation (2)</b>	<b>Total</b>
1993	1.0000 %	0.0027 %	0.0346 %	0.0034 %	1.0407 %
1994	1.0000	0.0024	0.0304	0.0034	1.0362
1995	1.0000	-	0.0129	0.0034	1.0163
1996	1.0000	-	0.0332	0.0034	1.0366
1997	1.0000	-	0.0223	0.0034	1.0257
1998	1.0000	-	0.0103	0.0034	1.0137
1999	1.0000	-	0.0206	0.0034	1.0240
2000	1.0000	-	0.0003	0.0034	1.0037
2001	1.0000	-	-	-	1.0000
2002	1.0000	-	0.0277	-	1.0277

Note: On June 6, 1978, California voters approved an amendment to the Article XIII A of the California Constitution. The amendment, commonly known as Proposition 13, limits the taxing power of California public agencies. The California Legislature enacted legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) providing that local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted of \$1.00 per 100 of full assessed value.

(1) Stockton Unified School District Building Loan Repayment.

(2) Approved by the San Joaquin County Board of Supervisors for testing groundwater quality and investigating causes of contamination. Effective July 1, 2000 Groundwater investigation is being charged as a benefit assessment.

Source: San Joaquin County Tax Rate Book, 2001/02

## CITY OF STOCKTON

**TABLE 8**  
**PRINCIPAL SECURED PROPERTY TAXPAYERS**  
**June 30, 2002**  
**(Dollar amounts in thousands)**

<b>Taxpayer</b>	<b>Nature of Business</b>	<b>2002 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Corn Products, Inc	Food Processing	\$ 77,385	0.749 %
Diamond Walnut Growers, Inc	Food Processing	49,347	0.478
POSDEF Power Co	Industrial	31,300	0.303
TRU Properties	Warehouse	30,177	0.292
Washington Mutual Bank	Office Building	28,090	0.272
Cargill Inc	Flour Mill	23,065	0.223
Mewark Group Industrial	Paper	19,516	0.189
American Honda	Warehouse	19,053	0.184
Campbell Soup	Food Processing	17,862	0.173
SF Pacific Properties, Inc	Railroad	17,258	0.167
Principal Secured Property Valuation		\$ 313,053	3.030 %
Other Secured Taxpayers		10,017,883	96.970
Total Secured Property Valuation - Net of Exemptions (1)		\$ 10,330,936	100.000 %

(1) Exemptions relative to the secured tax roll are homeowners (\$255,537) and others (\$727,148).

Source: San Joaquin County Assessor's Office  
San Joaquin County Auditor/Controller

## CITY OF STOCKTON

**TABLE 9**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

<b>Fiscal Year</b>	<b>Current Assessments Due</b>	<b>Current Assessments Collected</b>	<b>Total Collection as Percentage of Current Assessments Due</b>	<b>Total Outstanding Delinquent Assessments</b>
1993	\$ 17,677	\$ 14,994	84.82 %	\$ 2,631
1994	18,596	16,441	88.41	2,815
1995	18,941	17,869	94.34	2,168
1996	17,241	16,845	97.70	1,909
1997	16,763	16,379	97.71	1,620
1998	15,928	15,928	100.00	1,748
1999	17,546	17,436	99.37	942
2000	16,431	16,318	99.31	887
2001	18,724	18,672	99.72	885
2002	18,340	18,280	99.67	678

Note: Includes Central Parking District; excludes Water and Sanitary Wastewater Utilities.

Source: City of Stockton Administrative Services Department

## CITY OF STOCKTON

**TABLE 10**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**June 30, 2002**  
**(Dollar amounts in thousands)**

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Total Assessed Valuation (less other exemptions)	\$ 11,470,036
Less: Redevelopment Tax Increments	<u>163,422</u>
Basis of Levy	<u><u>\$ 11,306,614</u></u>
Debt Limit - 15 Percent of Assessed Valuation (1)	\$ 1,720,505
Amount of Debt Applicable to Debt Limit	<u>0</u>
Legal Debt Margin	<u><u>\$ 1,720,505</u></u>

(1) Section 43605 California Government Code

Source: San Joaquin County Auditor/Controller's Office  
California Municipal Statistics, Inc., San Francisco, CA

## CITY OF STOCKTON

**TABLE 11**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO TAXABLE ASSESSED VALUE AND**  
**NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Population (1)	Gross Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1993	226,300	\$ 8,055,732	\$ 135	-	\$ 135	0.002 %	\$ 0.5966
1994	228,733	8,443,029	-	-	-	-	-
1995	232,770	8,575,384	-	-	-	-	-
1996	233,600	8,814,724	-	-	-	-	-
1997	236,500	8,790,337	-	-	-	-	-
1998	240,100	8,966,865	-	-	-	-	-
1999	243,700	9,140,653	-	-	-	-	-
2000	247,300	9,534,464	-	-	-	-	-
2001	251,100	11,049,631	-	-	-	-	-
2002	253,800	12,217,975	-	-	-	-	-

2000 Federal Census Population: 243,771 (City)

(1) Population data estimates are as of January 1 of the corresponding year and are not in thousands.

Source: State of California, Department of Finance, Demographic Research Unit  
City of Stockton Administrative Services Department  
San Joaquin County Auditor/Controller's Office

## CITY OF STOCKTON

**TABLE 12**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION**  
**BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
1993	\$ 130	\$ 9	\$ 139	\$ 140,125	0.099 %
1994	135	3	138	157,589	0.087
1995	-	-	-	144,850	N/A
1996	-	-	-	144,183	N/A
1997	-	-	-	170,919	N/A
1998	-	-	-	163,899	N/A
1999	-	-	-	167,351	N/A
2000	-	-	-	194,744	N/A
2001	-	-	-	224,662	N/A
2002	-	-	-	237,072	N/A

Source: City of Stockton Administrative Services Department

# CITY OF STOCKTON

**TABLE 13**  
**DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**June 30, 2002**

OVERLAPPING TAX AND ASSESSMENT BONDED DEBT (1)	Percentage Applicable to City	City Share of Debt
Stockton Unified School District	81.925 %	\$ 19,162,260
Lodi Unified School District	23.176	11,588,000
Lincoln Unified School District Community Facilities District #1	80.116	13,542,203
Manteca Unified School District Community Facilities District #89-1	100.000	26,105,866
City of Stockton Community Facilities District #1	100.000	37,660,000
City of Stockton Community Facilities District #90-1	97.282	12,729,350
City of Stockton Community Facilities District #90-2	100.000	33,760,000
City of Stockton Community Facilities District #90-4	100.000	14,935,690
City of Stockton Community Facilities District #96-1	100.000	5,060,000
City of Stockton Community Facilities District #99-02	100.000	8,285,000
City of Stockton Community Facilities District #2001-1 (Spanos Park West)	100.000	21,460,000
City of Stockton Community Facilities District #2001-1 (Downtown Parking)	100.000	6,180,000
City of Stockton 1915 Act Bonds	100.000	53,130,550
Reclamation District #2042 Community Facilities District #2000-1	18.211	1,483,286
San Joaquin Area Flood Control Assessment District	80.116	35,960,067
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$301,042,272</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		
San Joaquin County Certificates of Participation	34.046 %	\$ 55,857,570
San Joaquin Delta Community College District Certificates of Participation	31.222	1,956,058
Lincoln Unified School District Certificates of Participation	86.758	3,283,790
Lodi Unified School District Certificates of Participation	23.176	2,068,458
Stockton Unified School District Certificates of Participation	84.045	12,997,559
City of Stockton Certificates of Participation	100.000	14,665,000
South San Joaquin Irrigation District Certificates of Participation	0.334	27,254
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 90,855,689</b>
Less: South San Joaquin Irrigation District (100% self supporting)		27,254
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 90,828,435</b>
<b>Total Gross Debt (1)</b>		<b>\$391,897,961</b>
<b>Total Net Debt</b>		<b>\$391,870,707</b>

**2001-02 Assessed Valuation** \$ 9,430,015,174  
(after deducting \$163,422,203 redevelopment incremental valuation and other exemptions of \$747,938,931)  
**2001-02 Population (2)** 253,800

Debt Ratios		Per Capita	Ratio to Assessed
Total Gross Debt	\$ 391,897,961	\$ 1,544	4.16%
Total Net Debt	\$ 391,870,707	\$ 1,544	4.16%

**State School Building Aid Repayment as of 6/30/02** \$ 20,905

- (1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.  
(2) Population data estimates are as of January 1 of the corresponding year.

Source: California Municipal Statistics, Inc., San Francisco, CA  
San Joaquin County Auditor/Controller's Office  
State of California, Department of Finance, Demographic Research Unit

# CITY OF STOCKTON

**TABLE 14**  
**REVENUE BOND COVERAGE**  
**WATER REVENUE BONDS**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			
				Principal	Interest	Total	Coverage
2002	\$ 16,960	\$ 11,295	\$ 5,665	\$ -	\$ -	\$ -	N/A

Note: Revenue bonds were not issued in the ten fiscal years prior to fiscal year 2002.

- (1) Total revenues (including investment earnings) exclusive of capital contributions.
- (2) Total operating expenses exclusive of depreciation and amortization.
- (3) Includes principal and interest of water revenue bonds only. Does not include debt defeasance transactions.

Source: City of Stockton Administrative Services Department



# CITY OF STOCKTON

**TABLE 15**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Square Miles	City Population (1)	Population Percent Change	County Population (1)	City Population as a Percent of County	Rank in California by Population
1993	55.50	226,300	2.128 %	514,500	43.984 %	12
1994	55.50	228,733	1.075	522,300	43.793	12
1995	55.50	232,770	1.765	530,700	43.861	12
1996	55.50	233,600	0.357	529,300	44.134	12
1997	55.50	236,500	1.241	535,400	44.173	12
1998	55.90	240,100	1.522	545,200	44.039	12
1999	56.49	243,700	1.499	554,400	43.960	12
2000	56.49	247,300	1.477	566,600	43.646	12
2001	57.74	251,100	1.537	583,700	43.019	13
2002	57.74	253,800	1.075	596,000	42.584	13

2000 Federal Census Population: 243,771 (City)  
563,598 (County)

(1) Population estimates are as of January 1 of the corresponding year.

Source: City of Stockton Community Development Department  
State of California, Department of Finance, Demographic Research Unit

## CITY OF STOCKTON

**TABLE 16**  
**CONSTRUCTION ACTIVITY AND BANK DEPOSITS**  
**LAST TEN FISCAL YEARS**  
**(Dollar amounts in thousands)**

Fiscal Year	Building Permits Issued	Percent Change	Estimated Valuation	Percent Change	Deposits: Banks Savings & Loans Credit Unions (1)	Percentage Change
1993	4,890	-4.061 %	\$ 173,374	9.424 %	\$ 3,157,126	-8.396 %
1994	4,783	-2.188	191,629	10.529	3,008,735	-4.700
1995	4,775	-0.167	149,383	-22.046	3,240,633	7.707
1996	5,841	22.325	211,338	41.474	2,905,214	-10.350
1997	5,730	-1.900	211,016	-0.152	3,029,472	4.277
1998	5,514	-3.770	236,854	12.245	3,228,462	6.568
1999	6,321	14.635	277,659	17.228	4,729,720	46.501
2000	7,397	17.023	406,693	46.472	4,671,407	-1.233
2001	7,459	0.838	437,740	7.634	8,220,859	75.983
2002	7,478	0.255	438,905	0.266	N/A	N/A

(1) Current fiscal year data becomes available the following year.

Source: City of Stockton Community Development Department  
The Findley Reports on Financial Institutions, Anaheim, California

# CITY OF STOCKTON

**TABLE 17**  
**MISCELLANEOUS STATISTICS**  
**June 30, 2002**

## GEOGRAPHICAL LOCATION

Situated 345 miles north of Los Angeles and 78 miles east of San Francisco, Stockton is nestled between the Sierra Nevadas and the Pacific Ocean. It is the seat of San Joaquin County, which is in the heart of the San Joaquin Valley – one of the world's most productive agricultural regions.

## GENERAL

Date of Incorporation	July 25, 1850
City Charter Adopted	January 15, 1889
Form of Government	Council-Manager
Area/Square Miles	57.74
Elevation	23

## DEMOGRAPHIC

Number of Housing Units	84,266
Median Family Income	47,500

## LAND USE – SQUARE MILES

Residential	16.00
Commercial	2.94
Industrial	6.25
Institutional	7.78
Vacant/Agricultural	17.00
All Other Use	7.77

## PUBLIC WORKS

Miles of Streets	699
Miles of Storm Drains	525
Miles of Sanitary Sewers	1,206
Miles of Water Lines	654
Traffic Signals	278

## BUSINESS TA+A13X CERTIFICATES

Retail Sales & Service	7,893
Wholesalers	299
Manufacturers & Processors	145
Professions	1,814
Contractors, Peddlers, Delivery Vehicles, etc.	3,685

## COLLEGES & UNIVERSITIES

Junior Colleges	1
4-Year Colleges	2
4-Year Colleges (Satellites)	3

## PUBLIC EDUCATION FACILITIES

Elementary Schools	47
Enrollment	30,758
K-8 Schools	12
Enrollment	7,616
Secondary Schools (7-8)	7
Enrollment	7,906
High Schools	14
Enrollment	14,646
Special Education	1
Enrollment	80
Alternative Education and Occupational Training classes are offered at many of the facilities listed above.	

## CULTURE & RECREATION

Parks and Squares	54
Park Acreage	552
Boating Facilities - Lane	10
Municipal Golf Courses	4
Golf Course Acreage	408
Family Camps	1
Museums	1
Children's Activities	2
Civic Auditorium (2,800 capacity)	1
Senior Citizens Centers	3
Ice Rinks	1
Community Centers	6
Swimming Pools	4
Baseball/Softball-Diamonds	41
Tennis Courts	61

## LIBRARIES

Central Library	1
Branches	3
Library Mobile Units	2
S.J. County Branches	6
Total Volumes Held	#####

## POLICE PROTECTION

<u>Personnel:</u>	
Sworn	384
Non-Sworn	169
Animal Control	14
Reserve/Volunteer Police Officers	17
Other Volunteers (VIPS)	59
<u>Facilities:</u>	
Stations and Substations	5
Animal Control Facility	1
Police Training Facility	1

## Vehicles:

Automobiles	233
Motorcycles and Scooters	27
Animal Control Vehicles	11
VIPS Vehicles	7
Other Mobile Units	48

## FIRE PROTECTION

Firefighters- Sworn	236
Firefighters- Auxiliary	30
Non-Sworn Personnel	28
Paramedic Teams (2/Team)	12
Fire Stations	12
Training Facilities	1
Fire Insurance Class	1
Fire Hydrants	####

## HOSPITALS

Acute Care Facilities	2
Patient Beds	499

## CITY EMPLOYEES

Full Time-Civil Service	####
Full Time- Noncompetitive	142
Part Time- Exempt	891

Sources: City of Stockton  
San Joaquin County Office of Education

# CITY OF STOCKTON

**TABLE 18**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2002**

(continues)

Type of Coverage	Company	Period	Amount/Limits
GENERAL LIABILITY EXCESS	CJPRMA Federal Insurance Co (CHUBB)	07/01/2001 to 07/01/2002	\$5,000,000 XS SIR not to exceed \$10,000,000
WORKER'S COMP EXCESS	Continental Casualty	01/01/2001 to 06/30/2002	\$10,000,000 - per accident/per employee \$1,000,000 - employer's liability
PROPERTY COVERAGE	US Fidelity & Guaranty Co	07/01/2001 to 07/01/2002	\$5,000,000
BOILER & MACHINERY	The Hartford Steam Boilers	07/01/2001 to 07/01/2002	\$21,250,000
OWNED NON-OWNED POOL LIABILITY	Scottsdale Insurance Co	05/13/2002 to 09/13/2002	\$2,000,000 GA, PL including \$100,000 each occurrence
ADMIN SERVICES BOND	The Hartford Insurance Co	07/08/2000 to 07/08/2003	\$100,000
EMPLOYEES BLANKET BOND (Commercial Crime Policy)	Travelers Insurance	09/22/2000 to 09/22/2003	\$500,000 \$100,000
PUBLIC OFFICIALS BOND	CNA	01/01/2001 to 01/01/2005	\$5,000
BLANKET NOTARY	CNA Insurance Co	04/18/2002 to 04/18/2003	\$100,000
MEDICAL PLAN STOP LOSS AND CONVERSION PLAN	Zenith Administrators & ULLICO	05/01/2002 to 04/30/2003	\$825,000 per covered individual per coverage year plus Aggregate Insurance if total claim cost exceeds 125%
EXECUTIVE TRAVEL POLICY Accident Insurance	AIG Insurance	01/24/2002 to 01/24/2003	\$200,000 per person \$600,000 per accident
TRAVEL POLICY Accident Insurance	AIG Insurance	03/05/2002 to 03/05/2003	\$200,000 per person \$600,000 per accident

<b>Deductible</b>	<b>Premium</b>	<b>Details of Coverage</b>
\$ 1,000,000 SIR	\$558,320	Excess auto-comp, general liability errors and omissions liability and excess non-owned aircraft liability
\$ 250,000 each Accident, each Employee	\$ 0.1527/\$100 Payroll	Covers worker's comp claims in excess of self-insured retention
\$25,000	\$56,936	Real/personal property, rental value, extra expense, leasehold interest, valuable papers & records, A/R, fine arts, transit, demolition, and increased cost of construction. Automatic acquisition for the perils of all risk.
\$5,000	\$7,838	Boilers; compressed air storage tanks
\$0	\$16,608	OL&T liability coverage owned, non-owned pools (6)
\$0	\$1,040	Public Official's Bond
\$10,000 \$10,000	\$29,110	Employee dishonesty and computer fraud, forgery, theft, disappearance, and robbery
\$0	\$800	Faithful performance by Council members
\$0	\$1,350	Errors and omissions
\$ 190,000 per covered individual per coverage year	\$26.30-26.73 per active employee (or under 65 retiree) per month \$8.27-8.59 per retiree over 65 per	Medical plan claims in excess of self-insured retention, and conversion benefit plan option.
\$0	\$2,661	Travel accident coverage when on City business for management employees
\$0	\$1,000	Travel accident coverage when on City business for non-management employees